



## NEWS RELEASE



### **ALTAGAS INCOME TRUST AND AEOLIS WIND POWER TO JOINTLY DEVELOP ANOTHER WIND POWER PROJECT IN B.C.**

**Calgary, Alberta (May 12, 2006)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and Aeolis Wind Power Corporation (Aeolis) today announced that they have signed a Memorandum of Agreement (MOA) to jointly pursue the development of a further 300 MW of wind power in British Columbia.

In addition, AltaGas signed a financial commitment letter with Bear Mountain Wind Limited Partnership (BMWLP) to fund a portion of the proposed Bear Mountain Wind Power Project in northeast British Columbia, near Dawson Creek. AltaGas will own approximately 68 percent of the proposed 120 MW project, which is expected to be project financed, with terms yet to be finalized.

Both the MOA and the financial commitment letter are subject to a number of conditions precedent.

David Cornhill, Chairman, President and CEO of AltaGas said, “This is a significant step in our strategy to pursue the development and operation of wind power assets. These projects will potentially provide long term sustainable cash flows.” He added, “We continue to focus on wind power in British Columbia, where BC Hydro has committed that 50 percent of new power supply for the province over the next 10 years will be obtained from clean energy sources. AltaGas is excited to be further building our relationship with Aeolis and to be developing these projects jointly.”

The MOA entitles AltaGas to directly participate in the next 300 MW of Aeolis wind power generation projects in B.C. Primary focus will be on a project in the Peace River region, where Aeolis holds over 20 Investigative Use Permits and is actively working with local and aboriginal communities. The project is expected to be bid into the next call for tenders issued by BC Hydro, anticipated to be in the spring of 2007. Aeolis and AltaGas will work together to bring this opportunity to fruition through a limited partnership in which they will be 50-50 development partners.

“Aeolis is pleased to continue to partner with AltaGas,” said Juergen Puetter, President of Aeolis. “Our wind power expertise combined with AltaGas’ strong track record makes for an exciting combination.”

AltaGas announced its initial investment in renewable generation in January, with the development equity investment in BMWLP’s proposed Bear Mountain wind power project. The BMWLP submitted its bid into the BC Hydro Fiscal 2006 Open Call for Power on April 7, and BC Hydro has stated its intention to award the projects in August 2006.

Aeolis is a private, B.C.-based wind energy development company focused on establishing large-scale wind power generation facilities in western Canada. As a partner in BMWLP with AltaGas and locally-based Peace Energy Cooperative, Aeolis developed the Bear Mountain Wind Park bid for the BC Hydro Fiscal 2006 Open Call for Power. The 120 MW project has four years of wind data, a contracted source for wind turbines with Enercon, and an excellent accessible wind resource. Aeolis brings expert Canadian and international

expertise to its wind development and business practices. For more information, please see [www.aeoliswind.com](http://www.aeoliswind.com).

AltaGas Income Trust is one of Canada's largest and fastest growing integrated energy infrastructure and services organizations. The Trust creates value by growing and optimizing assets and services across the energy value chain to serve North America's energy demand. Since 1994, AltaGas Income Trust has expanded its business to include natural gas gathering, processing and transmission, extraction of ethane and natural gas liquids, power generation, marketing of natural gas and natural gas liquids, as well as retail energy services to commercial, industrial and institutional end-users across Canada.

AltaGas Income Trust's units are listed on the Toronto Stock Exchange under the symbol ALA.UN. The Trust is included in the S&P/TSX Composite Index, the S&P/TSX Capped Income Trust Index and the S&P/TSX Capped Energy Trust Index.

This news release contains forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Trust or an affiliate of the Trust, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Trust's public disclosure documents. Many factors could cause the Trust's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Trust does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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