



## NEWS RELEASE

### ALTAGAS INCOME TRUST TO ACQUIRE NEW GAS PLANT IN NORTHWEST ALBERTA

**Calgary, Alberta (July 6, 2006)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced it will acquire a 93 percent interest in a new 10 Mmcfd sour gas processing facility and a 100 percent interest in an associated 16 kilometre sour gas gathering line in Northwest Alberta for a total of approximately \$12 million. The Clear Hills Gas Plant is being constructed by Tasman Exploration Ltd. and is expected to be fully commissioned by the end of July 2006. The pipeline will connect a number of existing producer wells east of the plant, in what is expected to be an active drilling area. The acquisitions are subject to normal industry conditions precedent.

AltaGas will operate the Clear Hills Gas Plant, which will consist of gathering pipelines, inlet separation, compression, refrigeration, amine sweetening and acid gas flaring facilities.

David Cornhill, Chairman, President and CEO of AltaGas said, "The Clear Hills Gas Plant will allow AltaGas to provide long-term, firm service to a number of producers in an area of western Alberta that is experiencing a growing need for gas processing capacity." He added, "This will be our 74<sup>th</sup> field gathering and processing facility and our third new plant west of the sixth meridian. We have increased capacity by 9 percent since late 2005, and are moving closer to our \$40 million target for growth in our Field Gathering and Processing business this year."

The project will be underpinned with volume and revenue commitments from a number of producers, including Tasman Exploration Ltd. It is expected to begin adding to cash flow and earnings in August 2006.

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.

For further information contact:

Media

Dennis Dawson  
(403) 691-7534

[dennis.dawson@altagas.ca](mailto:dennis.dawson@altagas.ca)

Investment Community

Stephanie Labowka-Poulin  
(403) 691-7136

[stephanie.labowka-poulin@altagas.ca](mailto:stephanie.labowka-poulin@altagas.ca)

Website: [www.altagas.ca](http://www.altagas.ca)

Investor Relations  
1-877-691-7199

[investor.relations@altagas.ca](mailto:investor.relations@altagas.ca)