



## NEWS RELEASE

### ALTAGAS CLOSES \$46 MILLION EDMONTON ETHANE EXTRACTION PLANT ACQUISITION AND BECOMES OPERATOR

Calgary, Alberta (August 25, 2004) - AltaGas Income Trust (AltaGas or the Trust) (TSX:ALA.UN) announced today that it has closed the acquisition of a 48 2/3 percent interest in the Edmonton Ethane Extraction Plant (EEEE) from BP Canada Energy Resources Company ("BP"). The effective date of the acquisition is January 1, 2004. After adjusting for the economic benefit from the effective date to closing, the purchase price paid by AltaGas for the facility was approximately \$42.5 million. In connection with the acquisition AltaGas has employed BP's employees at EEEP and will immediately assume operatorship of the plant.

EEEE straddles the ATCO Gas and Pipelines Ltd. system which transports natural gas into the City of Edmonton and the Ft. Saskatchewan area. A long term gas supply contract provides a secure feedstock supply to EEEP. EEEP is directly connected to the Alberta Ethane Gathering System, and to BP's Co-Ed NGL pipeline, providing safe and reliable outlets for the plant's products.

The plant has a licensed gross inlet capacity of 390 Mmcfd of natural gas and gross natural gas liquids (NGLs) production of approximately 15,000 Bbls/d of specification ethane and 6,000 Bbls/d of propane-plus product. AltaGas' share of the plant's products will be sold under long term contracts. The addition of EEEP will increase AltaGas' total net inlet extraction capacity to 539 Mmcfd and total ethane and NGLs production to approximately 19,500 Bbls/d.

David Cornhill, Chairman and Chief Executive Officer said, "We now have ownership interests in four of the nine deep cut extraction plants in Alberta. With the addition of EEEP, we expect our extraction business annual operating margin will grow to be in the range of our natural gas distribution and transmission businesses." Mr Cornhill added, "We are excited by the opportunities presented as operator of the EEEP facility and by the addition of the EEEP employees. The expertise of the EEEP employees combined with the expertise of our existing 500 plus employees strengthens our position as a full midstream service provider and better positions us to capture opportunities."

AltaGas moves energy from its source to the end user, adding value through the process. The Trust has consolidated assets totalling over \$950 million and a market capitalization of approximately \$1 billion. Its steadily expanding asset base today includes natural gas gathering and processing facilities, interests in ethane and natural gas liquids extraction plants, and transmission pipelines. AltaGas distributes natural gas to Alberta customers through AltaGas Utilities Inc., to customers in the Northwest Territories through the Ikhil Gas Project and distributes gas in Nova Scotia through its interest in Heritage Gas Limited. The Trust provides energy services to customers, including marketing of natural gas and natural gas liquids and sale of power from its power purchase based arrangements.

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

When used in this press release, the words "anticipate," "estimate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward looking statements. These risks and uncertainties include operating performance, regulatory and environmental issues, weather and economic conditions, competition and financing availability. For additional information on these and other factors see the reports filed by AltaGas with Canadian securities regulators. AltaGas disclaims any intention or obligation to update or revise any forward looking information whether as a result of new information or future event.

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