



NEWS RELEASE

ALTAGAS TO ACQUIRE BUSINESS OF PREMSTAR ENERGY CANADA LTD.

Calgary, Alberta (May 26, 2004) -- AltaGas Income Trust (the "Trust") (TSE:ALA.UN) announced today that a subsidiary of the Trust has executed a letter of intent to purchase the business of PremStar Energy Canada Ltd. and its subsidiaries ECNG Inc. and Energistics Group Inc. for approximately \$22.0 million payable by way of 993,789 Trust Units issued from the Trust's treasury plus approximately \$1.2 million cash. The transaction is conditional on the execution of a purchase and sale agreement, which is expected to occur prior to July 1, 2004.

The PremStar group is one of Canada's leading energy agency businesses, specializing in the procurement and supply of energy to end use customers. The PremStar acquisition builds on the low risk, fee for service business of the Trust's operating entities through the provision of physical energy supply from the gas field directly to end use customers located primarily in Ontario. On a fee for service basis, the PremStar group provides energy supply, arranges for transportation services, and supports customers with valuable market information.

AltaGas moves energy from its source to the end user, adding value through the process. The Trust has assets totaling almost \$950 million and a market capitalization of approximately \$900 million. 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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