



NEWS RELEASE

ALTAGAS INCOME TRUST UNITHOLDERS TO RECEIVE SHARES OF UTILITY GROUP

Calgary, Alberta (November 14, 2005) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that related to the spin-out of its Natural Gas Distribution segment into AltaGas Utility Group Inc. (Utility Group), holders of trust units (Trust Units) of the Trust (Unitholders) and holders of exchangeable partnership units (Partnership Units) of AltaGas Holding Limited Partnership No. 1 (LP Unitholders) will receive one common share of Utility Group for each 13.9592 Trust Units or exchangeable Partnership Units held on the November 14, 2005 record date. Fractional shares will not be distributed and the number of common shares of Utility Group distributed to each holder will be rounded down to the next lowest number of common shares.

As of 4:30 p.m. (Calgary time) today, there were 52,298,620 Trust Units and 2,142,125 Partnership Units issued and outstanding, for a total of 54,440,745 Units.

Registered Unitholders and LP Unitholders will receive a share certificate for common shares of Utility Group in the mail. Common shares distributed to non-registered unitholders will be credited to their investment accounts. Non-resident Unitholders will be subject to withholding taxes as a result of the distribution of Utility Group common shares. Further information can be found under the heading "Distribution" in the section entitled "Plan of Distribution" in the final prospectus filed by Utility Group on November 4, 2005 and available at www.sedar.com.

The Toronto Stock Exchange has conditionally approved the listing of Utility Group's common shares under the symbol AUI and listing is subject to Utility Group fulfilling all of the requirements of the TSX on or before February 1, 2006. Management anticipates satisfying the conditions upon closing.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, they may not be offered or sold within the United States except pursuant to registration under the 1933 Act and applicable state securities laws or pursuant to an exemption from registration therefrom.

AltaGas moves energy from its source to the end-user, adding value through the process. The Trust has consolidated assets totalling over \$1 billion and a market capitalization of approximately \$1.4 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. Through its Natural Gas Distribution segment to be spun out to Utility Group, AltaGas distributes natural gas to Alberta customers through AltaGas Utilities Inc., to customers in the Northwest Territories through Inuvik Gas Ltd. and 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, sale of power from its power purchase based arrangements and, as a leading energy agency business, specializes in the procurement and supply of energy to end-users.

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 news 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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