



NEWS RELEASE

ALTAGAS INCOME TRUST PRICES TRUST UNIT OFFERING

Calgary, Alberta (June 3, 2004) -- AltaGas Income Trust ("AltaGas") (TSE:ALA.UN) announced today that it has filed a final short form prospectus with the securities commissions in each of the provinces of Canada with respect to the issue of 4,300,000 Trust Units at a price of \$18.70 per Trust Unit to raise gross proceeds of \$80,410,000. The syndicate of Underwriters is lead by RBC Capital Markets and Clarus Securities Inc., and includes BMO Nesbitt Burns Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., Canaccord Capital Corporation and Peters & Co. Limited. AltaGas has granted the Underwriters an over-allotment option to purchase up to an additional 430,000 trust units (10 percent of the issue), exercisable on the same terms, in whole or in part, within 30 days following the date of closing. The offering is anticipated to close on June 10, 2004.

The net proceeds attributable to the sale of Trust Units will be used to reduce bank indebtedness, which may be redrawn and used for general corporate purposes including AltaGas' ongoing capital program, the funding of the Edmonton Ethane Extraction Plant acquisition announced on March 18, 2004 and future acquisitions. As a result of this issue and the predictable free cash flow generated by AltaGas' diversified asset base, AltaGas will be well positioned to continue to pursue attractive investment opportunities as they arise.

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.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution. The Trust Units offered are not, and will not be, registered under the securities laws of the United States of America, nor any State thereof and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

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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