



NEWS RELEASE



ALTAGAS INCOME TRUST CLOSES ALTAGAS UTILITY GROUP ACQUISITION

Calgary, Alberta (October 9, 2009) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and AltaGas Utility Group Inc. (Utility Group) (TSX: AUI) are pleased to announce the successful completion of the acquisition of Utility Group by AltaGas.

"I am pleased to increase our investment in Utility Group. Its high quality utility infrastructure businesses, serving over 71,000 customers, have grown rate base by 15 percent over the past four years" said David Cornhill, Chairman and CEO of AltaGas. "We welcome the Utility Group employees back under the Trust umbrella and look forward to supporting them as they continue to provide excellent safe, reliable service and growth."

Patricia Newson, President and CEO of Utility Group, said, "The Utility Group team, including the outstanding operating groups at AltaGas Utilities Inc., Heritage Gas Limited and Inuvik Gas Ltd. look forward to our new relationship with the Trust. As part of a larger entity, Utility Group will continue to pursue significant organic growth and business acquisition opportunities."

AltaGas Holdings #3 Inc. (AltaGas Holdings #3 or the Offeror), an indirect wholly-owned subsidiary of AltaGas, offered to acquire all of the outstanding common shares of Utility Group not already owned by AltaGas and its affiliates. The offer expired on October 7, 2009 at which date an aggregate of 6,801,646 Utility Group shares (constituting approximately 94.97 percent of the outstanding shares, excluding those held by AltaGas or its affiliates) had been tendered or were subject to notice of guaranteed delivery. AltaGas has now taken up and paid for the tendered shares.

AltaGas Holdings #3, through provisions of section 206 of the Canadian Business Corporations Act (Canada), has acquired the Utility Group shares of shareholders who did not accept the offer. As a result, AltaGas and its affiliates now beneficially own and control all of the outstanding common shares of Utility Group.

As a result of the acquisition, Utility Group shares are expected to be delisted from the Toronto Stock Exchange (TSX).

AltaGas Income Trust is one of Canada's largest and fastest growing energy infrastructure organizations. The Trust creates value by acquiring, growing and optimizing gas and power infrastructure, including a focus on renewable energy sources.

AltaGas Income Trust's units are listed on the Toronto Stock Exchange under the symbol ALA.UN and are included in the S&P/TSX Composite Index, the S&P/TSX Income Trust Index and the S&P/TSX Capped Energy Trust Index. AltaGas Utility Group Inc. common shares trade on the Toronto Stock Exchange under the symbol AUI.

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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 or to Utility Group or an affiliate of Utility Group, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, the Trust's and Utility Group's respective 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 the Trust's or Utility Group's respective actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust's and Utility Group's respective 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 and Utility Group's respective public disclosure documents. Many factors could cause the Trust's or Utility Groups respective 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, the Trust's or Utility Group's 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 and Utility Group do not intend, and do 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.

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