



NEWS RELEASE

ALTAGAS ANNOUNCES INFORMATION PERTAINING TO SECURITYHOLDER MEETING TO APPROVE ARRANGEMENT

Calgary, Alberta (May 21, 2010) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today confirmed that it has mailed to holders (Unitholders) of trust units of the Trust and exchangeable limited partnership units of AltaGas Holding Limited Partnership No.1 (Exchangeable unitholders and, together with the Unitholders, collectively the Securityholders) an information circular and proxy statement and related meeting materials with respect to the Trust's previously announced intention to convert from an income trust to a corporation to be named "AltaGas Ltd." pursuant to an arrangement under the *Canada Business Corporations Act* (the Arrangement).

The special meeting of Securityholders to consider, among other things, the Arrangement, is scheduled to be held at The Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta at 3:00 p.m. (Calgary time) on Thursday, June 3, 2010. In addition to Securityholder approval, the Arrangement is subject to the approval of the Court of Queen's Bench of Alberta and of the Toronto Stock Exchange. Assuming that the resolution approving the Arrangement is approved by Securityholders at the Meeting, the Trust anticipates applying for a final order from the Court of Queen's Bench of Alberta on Friday, June 4, 2010 and for the effective date of the Arrangement to be on or about July 1, 2010.

The Trust would also like to announce an amendment to the arrangement agreement pursuant to which the Arrangement will be effected, specifically, to limit the aggregate voting rights associated with any preferred shares that may at any time be issued (directly or on conversion or exchange) to less than 50% of the votes attaching to the then issued and outstanding common shares of AltaGas Ltd. The Trust would also like to clarify that it has no intention of utilizing such preferred shares for an improper purpose in the context of any potential future unsolicited take-over bid for the common shares of AltaGas Ltd.

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. The Trust is included in the S&P/TSX Composite Index, the S&P/TSX Income Trust Index and the S&P/TSX Capped Energy Trust Index.

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