



NEWS RELEASE

ALTAGAS ENTERS NATURAL GAS STORAGE BUSINESS IN ONTARIO

Calgary, Alberta (August 7, 2007) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced it has signed an agreement to purchase a 50 percent interest in the Sarnia Airport Pool Storage Project. The other 50 percent interest in the natural gas storage project is held by Market Hub Partners Canada L.P. (MHP Canada), a Spectra Energy Corp partnership. Closing of the transaction is subject to normal industry conditions precedent.

David Cornhill, Chairman, President and CEO of AltaGas said, "The Sarnia natural gas storage project will be our first investment in natural gas infrastructure in Ontario. Natural gas storage is a key element of the energy value chain and is a strong fit with our integrated energy business strategy." He added, "The combination of an interest in the Sarnia Airport Pool Storage Project and our Ontario-based Energy Services team will increase opportunities to connect with our customers and use our energy market knowledge to enhance value."

"AltaGas is focused on growing its gas and power infrastructure business. The Sarnia Airport Pool Storage Project positions us to participate in the growing demand for storage services in the key Ontario market."

Once developed, the Sarnia Airport Pool Storage Project is expected to have 5.3 Bcf of working capacity and deliverability of approximately 52 Mmcf/d. It is expected to add approximately \$0.02 per unit to AltaGas' net income on an annual basis. The project is targeted to be in full operation by mid-2009, and is expected to be operated by MHP Canada. The project is in the early development stage and is subject to various regulatory and environmental approvals.

AltaGas Income Trust is one of Canada's largest and fastest growing integrated energy infrastructure and services organizations. The Trust creates value by growing and optimizing assets and services across the energy value chain to serve North America's energy demand. Since 1994, AltaGas Income Trust has expanded its business to include natural gas gathering, processing and transmission, extraction of ethane and natural gas liquids, power generation, marketing of natural gas and natural gas liquids, as well as retail energy services to commercial, industrial and institutional end-users across Canada.

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.

Spectra Energy Corp (NYSE: SE) is one of North America's premier pure play natural gas midstream companies serving three key links in the natural gas value chain: gathering and processing, transmission and storage and distribution. For close to a century, Spectra Energy and its predecessor companies have developed critically important pipelines and related energy infrastructure connecting natural gas supply sources to premium markets. Based in Houston, Texas, the company operates in the United States and Canada approximately 17,500 miles of transmission pipeline, 265 billion cubic feet of storage, natural gas gathering and processing, natural gas liquids operations and local distribution assets. Spectra Energy Corp also has a 50 percent ownership in DCP Midstream, one of the largest natural gas gatherers and processors in the United States. Visit www.spectraenergy.com for more information.

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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