



NEWS RELEASE

ALTAGAS INCOME TRUST ANNOUNCES \$100 MILLION MEDIUM-TERM NOTE OFFERING

Calgary, Alberta (August 25, 2005) -- AltaGas Income Trust ("AltaGas" or the "Trust") announced today that it has agreed to issue \$100 million of senior unsecured medium-term notes. The notes will carry a coupon rate of 4.4 percent and will mature on September 1, 2010. Closing is expected to occur on August 30, 2005.

The offering is being made through a syndicate of investment dealers led by BMO Nesbitt Burns Inc. under AltaGas' Universal Shelf Prospectus dated May 18, 2005 and Prospectus Supplement dated August 23, 2005 establishing AltaGas' medium-term note program.

The unsecured medium-term notes are rated BBB (low), stable trend by Dominion Bond Rating Service Limited and BBB- by Standard & Poor's.

The net proceeds from the offering will be used to reduce outstanding indebtedness.

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. 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.

For further information contact:

Media

Dennis Dawson (403) 691-7534
dennis.dawson@altagas.ca

Investment Community
Debbie Stein (403) 269-5683
debbie.stein@altagas.ca

Website: www.altagas.ca
Investor Relations: 1-877-691-7199
investor.relations@altagas.ca