



NEWS RELEASE

ALTAGAS HOLDING LIMITED PARTNERSHIP NO. 1 HOLDS 26.7% STAKE IN ALTAGAS UTILITY GROUP INC.

CALGARY, ALBERTA – November 17, 2005 – AltaGas Holding Limited Partnership No. 1 (“AltaGas LP #1”) is pleased to announce that through a series of transactions it now holds 2,184,000 Common Shares of AltaGas Utility Group Inc. (the “Corporation”), a Calgary based company which is engaged in natural gas distribution to residential, farm, commercial and industrial users for heating and other purposes.

AltaGas LP #1 transferred all of the issued and outstanding shares of AltaGas Utility Holdings Inc., a private company, to the Corporation in exchange for the issuance to AltaGas LP #1, by the Corporation, of approximately 7,800,000 common shares (the “Common Shares”) of the Corporation, at a deemed value of \$7.50 per Common Share (the “Reorganization”). Subsequently, 3,900,000 Common Shares were distributed pursuant to the *pro rata* distribution of approximately 3,746,544 Common Shares by AltaGas Income Trust (TSX: ALAUN), to holders of its trust units, and the *pro rata* distribution of 153,456 Common Shares by AltaGas LP#1, to the holders of its Class B limited partnership units (the “Distribution”). In addition, the Corporation issued 390,000 Common Shares from treasury and AltaGas LP #1 sold a further 1,716,000 Common Shares at a price of \$7.50 per Common Share (the “Offering”).

As a result of the Reorganization, Distribution and Offering, AltaGas LP #1 currently owns 2,184,000 Common Shares of the Corporation, representing approximately 26.7% of the Corporation’s issued and outstanding Common Shares. The Reorganization, Distribution and Offering took place through a combination of private agreements and a prospectus dated November 4, 2005. The Corporation is listed on the Toronto Stock Exchange under the symbol “AUI”.

AltaGas LP #1 is a subsidiary of AltaGas Income Trust and is located at Suite 1700, 355 – 4th Avenue S.W., Calgary, Alberta, T2P 0J1.

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 and processing, extraction of ethane and natural gas liquids, transmission, wholesale sale of power from its gas-fired generation and power purchase-based arrangements, 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 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.

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