



## NEWS RELEASE

### **ALTAGAS ANNOUNCES START-UP OF ACME CBM PROCESSING FACILITY AND GROWTH IN FIELD GATHERING AND PROCESSING ASSETS**

**Calgary, Alberta (November 29, 2007)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that the 10 Mmcf/d Acme coal bed methane (CBM) processing facility went into service on November 18. Ember Resources Inc., the producer, has completed its drilling program for the year and, as expected, 31 wells were tied-in. Additional volumes are expected to come online in January.

“We are pleased to announce that our Acme CBM processing plant is now in service – on time and under budget. The plant is already processing 4 Mmcf/d of CBM gas and is expected to ramp up as more production wells are connected over the next few months,” said David Cornhill, Chairman, President and Chief Executive Officer of AltaGas. “We are also pleased to announce a further \$13 million in growth projects in the Field Gathering and Processing segment, including 5 Mmcf/d of gathering and processing capacity and a new natural gas gathering line.”

The Trust expects to acquire natural gas gathering and processing assets in the strategic coal bed methane producing area of Corbett Creek, 150 km northwest of Edmonton, Alberta. AltaGas is acquiring the assets, which include 13 km of gathering lines and a processing plant with a capacity of 5 Mmcf/d, from an independent third-party unconventional oil and gas producer. The acquisition is expected to cost approximately \$5 million and supports the Trust’s strategy to increase processing of unconventional gas production, particularly CBM. The acquisition will be effective December 1, 2007 and is subject to normal industry conditions precedent.

In addition, AltaGas expects to acquire 100 percent interest in a new 15 Mmcf/d natural gas gathering line in northwest Alberta. The gathering line will be constructed by Fortress Energy Inc. and will connect the Trust’s Clear Prairie gas processing facility to the Square Creek area, 250 km northwest of Grande Prairie, Alberta. Construction is anticipated to begin late this year and the 38 km gathering line is expected to be commissioned in the first quarter of 2008. Upon completion of construction AltaGas will assume ownership of the gathering line, which is expected to cost \$8 million. Once in service, it is expected that the gathering line will increase throughput at the 15 Mmcf/d Clear Prairie gas plant by approximately 5 Mmcf/d. The agreement is subject to normal industry conditions precedent.

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.

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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