



NEWS RELEASE

AltaGas Services Inc. Announces Completion of Reorganization into an Income Trust

CALGARY, Alberta, (May 1, 2004) – AltaGas Services Inc. (“AltaGas”) announced today the successful completion of the reorganization of its business into AltaGas Income Trust. AltaGas securityholders voted 99.9% in favour of the resolution approving the Plan of Arrangement to effect the reorganization at a special meeting of securityholders on April 29, 2004. The reorganization was approved by the Court of Queen’s Bench of Alberta on April 30, 2004. The reorganization pursuant to the Plan of Arrangement was effected on May 1, 2004.

Pursuant to the Plan of Arrangement, AltaGas Income Trust currently has approximately 33.7 million Trust Units issued and outstanding. In addition, under the Plan of Arrangement eligible AltaGas securityholders also received a total of 12.2 million limited partnership units (“Exchangeable Securities”) that are exchangeable into Trust Units on a one-for-one basis. Elections by eligible securityholders for Exchangeable Securities were for less than the maximum number that were available under the Plan of Arrangement. Accordingly no pro rating of Exchangeable Securities was required.

AltaGas Income Trust will commence monthly distributions on June 15, 2004 to holders of Trust Units of record on May 25, 2004. The amount of the distribution on that date will be \$0.15 for each Trust Unit and each Exchangeable Security. Subject to receipt of approvals from the Toronto Stock Exchange and the fulfillment of certain requirements of that exchange, the Trust Units will trade on the Toronto Stock Exchange under the symbol of “ALA.UN”. It is anticipated that trading under the new symbol will begin on or about May 5, 2004. Prior to the commencement of trading of the Trust Units, the Common Shares of AltaGas will continue to trade on the Toronto Stock Exchange under the symbol ALA.

AltaGas moves energy from its source to the end user, adding value through the process. AltaGas has over \$900 million of assets and a market capitalization of over \$900 million. 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 the Ikhil Gas Project and is distributing natural gas in Nova Scotia through its interest in Heritage Gas Limited. AltaGas provides energy services to customers, including marketing of natural gas and natural gas liquids and sale of power from its power purchase arrangements.

When used in this press 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 disclosure documents filed by AltaGas with Canadian securities regulators available on the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. 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

Marilyn Pfaefflin (403) 691-7540
marilyn_pfaefflin@altagas.ca

Website: www.altagas.ca