



NEWS RELEASE



BEAR MOUNTAIN WIND LIMITED PARTNERSHIP SIGNS ENERGY PURCHASE AGREEMENT FOR WIND FARM IN B.C.

Calgary, Alberta (August 28, 2006) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and Aeolis Wind Power Corporation (Aeolis) today announced that Bear Mountain Wind Limited Partnership (BMWLP) has signed a 25-year electricity purchase agreement with BC Hydro for the Bear Mountain Wind Park. The 120 MW wind project, located near Dawson Creek, British Columbia will include 60 turbines and is expected to be fully operational in 2009.

“AltaGas is pleased to partner with Aeolis and move forward with our first wind power project,” said David Cornhill, Chairman, President and CEO of AltaGas. “We are continuing to work together to bring additional strategic partners into the project.”

“Aeolis is very excited to see the Bear Mountain Wind Park becoming a reality and we look forward to adding to B.C.’s renewable generation capacity,” added Juergen Puetter, President of Aeolis.

AltaGas, on behalf of BMWLP, has posted a letter of credit for approximately \$7 million with BC Hydro as performance security. No significant capital payments are anticipated by the partnership in the near-term. The project is subject to various regulatory and environmental approvals.

Aeolis is a private, B.C.-based wind energy development company focused on establishing large-scale wind power generation facilities in western Canada. As a partner in BMWLP with AltaGas and locally-based Peace Energy Cooperative, Aeolis developed the Bear Mountain Wind Park bid for the BC Hydro Fiscal 2006 Open Call for Power. For more information, please see www.aeoliswind.com.

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 Capped 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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