



## NEWS RELEASE



### ALTAGAS INCOME TRUST CLOSES TAYLOR ACQUISITION

**Calgary, Alberta (January 10, 2008)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and Taylor NGL Limited Partnership (Taylor) (TSX: TAY.UN, TAY.DB) are pleased to announce the successful completion of the acquisition of Taylor by AltaGas.

“Adding Taylor positions AltaGas for further growth and greater unitholder value,” said David Cornhill, Chairman, President and CEO of the Trust. “AltaGas now has a more diverse and balanced business that will generate further opportunities to integrate and expand our assets and operations across Canada. We are now one of the largest players in the Canadian extraction business and the most diversified in terms of assets and geography. I’d also like to extend a warm welcome to the Taylor employees.”

As a result of the acquisition, AltaGas has increased its total assets by approximately 65 percent to \$1.9 billion. The newly acquired assets are low-risk, long-life and complementary to AltaGas’ existing gas and power infrastructure. The resulting asset mix provides more emphasis on the extraction business, while reducing the reliance on the field gathering and processing business. More specifically, the transaction doubles AltaGas’ natural gas liquids production. On a combined basis, the extraction assets exited 2007 with approximately 45,700 Bbls/d of net NGL production, including Taylor’s record of more than 23,500 Bbls/d.

The acquisition also increases AltaGas’ focus on renewable energy growth. In British Columbia, the Trust has added a number of run-of-river hydro projects under development to complement the Bear Mountain Wind Park currently under construction.

The Taylor acquisition is accretive to cash flow immediately and will be accretive to earnings in 2009. Due to its increased size, which will increase liquidity and access to capital, AltaGas is positioned for continued growth.

The offer by AltaGas affiliate AltaGas Holding Limited Partnership No. 1 (AltaGas LP #1) to purchase Taylor limited partnership units (Taylor units) expired on January 8, 2008. At that time, 40,154,970 Taylor units (constituting approximately 97.3 percent of the outstanding Taylor units, excluding the 4,027,585 Taylor units held by AltaGas and its affiliates prior to the offer) had been tendered or were subject to notice of guaranteed delivery, significantly exceeding the two-thirds required. AltaGas has now taken up and paid for the tendered units. In addition, AltaGas LP #1 has exercised the compulsory acquisition rights under the Taylor limited partnership agreement to acquire the Taylor units of unitholders who did not accept the offer. Consequently, AltaGas and its affiliates AltaGas LP #1, AltaGas Holding Limited Partnership No. 2, AltaGas Operating Partnership and AltaGas Limited Partnership, with which AltaGas may be considered to be acting in concert, now beneficially own and control all of the outstanding Taylor units.

Former Taylor unitholders will receive AltaGas units or a combination of cash and AltaGas units as a result of the acquisition. Under the offer, Taylor unitholders could elect to receive \$11.20 in cash or 0.42 Trust units in exchange for each Taylor unit, subject to maximum aggregate amounts of each. The maximum cash consideration was reached by elections of tendering Taylor unitholders. As a result, Taylor unitholders who tendered their Taylor units electing Trust units will receive the consideration they elected and Taylor unitholders who tendered their Taylor units electing cash will receive a mix of cash and Trust units. Based on the proration calculation described in the Offer to Purchase mailed to Taylor unitholders at the end of November 2007, these Taylor unitholders will receive \$6.89 and 0.16145 Trust units per Taylor unit tendered.

Under the offer, eligible taxable, Canadian resident Taylor unitholders could elect to receive AltaGas LP #1 Class B limited partnership units (exchangeable units) as a portion of the consideration, subject to a maximum aggregate limit. The limit was not reached by elections of tendering Taylor unitholders, and an aggregate of 163,480 exchangeable units will be issued. These unitholders will be required to complete a Form T-2059 "Election on Disposition of Property by a Taxpayer to a Canadian Partnership" by May 31, 2008, as indicated in the Offer to Purchase. Further information on the exchangeable units will be available on the AltaGas website, at [www.altagas.ca/html/unitholder\\_tax\\_information.htm](http://www.altagas.ca/html/unitholder_tax_information.htm).

The cash payment, Trust units or exchangeable units, as applicable, to which registered unitholders who tendered their Taylor units by January 8 are entitled is expected to be forwarded or available for pick-up, depending on the direction from the unitholder, on or about January 15, 2008.

Those unitholders who did not accept the offer may elect to obtain the consideration they would have received for their Taylor units under the offer or elect to apply to Court to be paid the fair value of their Taylor units. The elections are subject to strict time limitations which if not met result in the loss of the ability of the Taylor unitholder to elect. Such Taylor unitholders should, as soon as practicable, carefully review the notice forwarded by AltaGas LP #1 to unitholders and also available under Taylor's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

As a result of the acquisition, Ian Bruce, James Davie, Vick Dusik, Hugh Fergusson, Val Mirosh and Donald Nelson have resigned from the Board of Directors of Taylor.

The final Taylor distribution is payable on January 15, 2008 to holders of record of Taylor units on December 31, 2007, as announced in Taylor's December 18, 2007 news release.

Also as a result of the acquisition, Taylor units are expected to be delisted from the Toronto Stock Exchange (TSX). The Taylor convertible debentures will continue in accordance with their existing terms, but will now be convertible into units of AltaGas at a conversion price of \$24.64.

AltaGas Income Trust is one of Canada's largest and fastest growing energy infrastructure organizations. The Trust creates value by acquiring, growing and optimizing gas and power infrastructure, including a focus on renewable energy sources.

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.

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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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