

## AltaGas Income Trust

### 2007 Distribution Information For U.S. Unitholder (\$/Unit)

The information that follows is being provided to assist U.S. individual unitholders of AltaGas Income Trust in reporting distributions received from AltaGas Income Trust on their Internal Revenue Service Form 1040, *U.S. Individual Income Tax Return* for the calendar year 2007. This information is of a general nature only and is not intended to be legal or tax advice. Readers should consult their own qualified legal or tax advisors as to their particular U.S. tax consequences of holding AltaGas Income Trust units.

Record Date	Payment Date	Distribution Paid CDN\$	Exchange Rate <sup>(1)</sup>	Distribution Paid US\$	Taxable Qualified Dividends US\$	Tax-Deferred Return of Capital US\$
22-Dec-06	15-Jan-07	0.17000	0.8561	0.14554	0.14554	nil
25-Jan-07	15-Feb-07	0.17000	0.8487	0.14428	0.14428	nil
26-Feb-07	15-Mar-07	0.17000	0.8621	0.14655	0.14655	nil
26-Mar-07	16-Apr-07	0.17000	0.8601	0.14621	0.14621	nil
25-Apr-07	15-May-07	0.17000	0.8973	0.15253	0.15253	nil
25-May-07	15-Jun-07	0.17000	0.9263	0.15747	0.15747	nil
25-Jun-07	16-Jul-07	0.17000	0.9334	0.15869	0.15869	nil
25-Jul-07	15-Aug-07	0.17000	0.9592	0.16307	0.16307	nil
27-Aug-07	17-Sep-07	0.17500	0.9509	0.16641	0.16641	nil
27-Aug-07 (2)	17-Sep-07 (2)	0.07608	0.9509	0.07235	0.07235	nil
25-Sep-07	15-Oct-07	0.17500	0.9990	0.17483	0.17483	nil
25-Oct-07	15-Nov-07	0.17500	0.9674	0.16930	0.16930	nil
26-Nov-07	17-Dec-07	0.17500	0.9877	0.17285	0.17285	nil
Total		<u>2.13608</u>		<u>1.97006</u>	<u>1.97006</u>	<u>nil</u>

<sup>(1)</sup> Bank of Canada noon rate of exchange on date of payment.

<sup>(2)</sup> Unitholders of record on August 27, 2007 received one share of AltaGas Utility Group Inc. for every 100 trust units held.

The distribution payable to record holders on December 27, 2007 and paid on January 15, 2008 to unitholders resident in the U.S. will be reported in the 2008 calendar year.

AltaGas Income Trust believes that its trust units should be properly classified as equity in a corporation, rather than debt, and that distributions paid to U.S. individual unitholders should be "qualified dividends" for U.S. federal income tax purposes. As such, the portion of the distributions made during 2007 that are considered dividends for U.S. federal income tax purposes should qualify for the reduced rate of tax applicable to long-term capital gains. However, the individual taxpayer's situation must be considered before making this determination.

*AltaGas Income Trust has not received an IRS letter ruling or a tax opinion from its tax advisors on these matters.*