

AltaGas Income Trust

**2008 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 2008. 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 ⁽¹⁾	Distribution Paid US\$	Taxable Qualified Dividends US\$	Tax-Deferred Return of Capital US\$
27-Dec-07	15-Jan-08	0.17500	0.9834	0.17210	0.17210	nil
25-Jan-08	15-Feb-08	0.17500	0.9984	0.17472	0.17472	nil
25-Feb-08	17-Mar-08	0.17500	1.0022	0.17539	0.17539	nil
25-Mar-08	15-Apr-08	0.17500	0.9822	0.17189	0.17189	nil
25-Apr-08	15-May-08	0.17500	1.0002	0.17504	0.17504	nil
26-May-08	16-Jun-08	0.17500	0.9793	0.17138	0.17138	nil
25-Jun-08	15-Jul-08	0.17500	0.9980	0.17465	0.17465	nil
25-Jul-08	15-Aug-08	0.17500	0.9426	0.16496	0.16496	nil
25-Aug-08	15-Sep-08	0.18000	0.9366	0.16859	0.16859	nil
25-Sep-08	15-Oct-08	0.18000	0.8473	0.15251	0.15251	nil
27-Oct-08	17-Nov-08	0.18000	0.8189	0.14740	0.14740	nil
25-Nov-08	15-Dec-08	0.18000	0.8096	0.14573	0.14573	nil
Total		<u>2.12000</u>		<u>1.99433</u>	<u>1.99433</u>	<u>nil</u>

⁽¹⁾ Bank of Canada noon rate of exchange on date of payment.

The distribution payable to record holders on December 29, 2008 and paid on January 15, 2009 to unitholders resident in the U.S. will be reported in the 2009 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 2008 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.