

ATCO MIDSTREAM

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For Immediate Release

October 5, 2007

ATCO Midstream Expands in Saskatchewan

CALGARY, Alberta – ATCO Midstream Ltd. is entering into an agreement to purchase a 50-percent interest in the Grimes Energy Joint Venture gas plant near the town of Kisbey as the company continues expansion into Saskatchewan.

ATCO Midstream will partner in the purchase of the plant with Bayhurst Energy Services Corporation, a subsidiary of SaskEnergy Incorporated. The purchase of the plant, licensed to process 2.5 million cubic feet of sour gas daily, includes approximately 22 kilometers of pipeline servicing four regional producers.

ATCO Midstream President Kevin Cumming said “This first-ever joint venture with SaskEnergy fits our growth strategies, complements our existing business, and brings together the skills of two solid companies.”

Bayhurst Energy will be responsible for the operation of the Kisbey gas plant with ATCO Midstream providing both operational and marketing support. The gas will be delivered to SaskEnergy’s transmission subsidiary, TransGas.

The full transfer of ownership and operation is expected to be in place by November 2007 with finalization of project specifics occurring over the next month.

The planned purchase is the second expansion of ATCO Midstream into Saskatchewan. Through the purchase of Wolcott Gas Processing Ltd., in May 2001, ATCO Midstream acquired an interest in the Nottingham gas plant and Wolstitmor gathering systems, and has since expanded the gathering system in southeastern Saskatchewan as well into Manitoba.

ATCO Midstream is part of the ATCO Group of companies. ATCO Group, an Alberta based worldwide organization of companies with assets of \$7.8 billion and more than 7000 employees is comprised of three main business divisions: Power Generation; Utilities (natural gas and electricity transmission and distribution) and Global Enterprises, with companies active in industrial manufacturing, technology, logistics and energy services, industrials and technologies. More information on ATCO Midstream can be found on its website www.atcomidstream.com.

SaskEnergy, a Crown corporation, has been providing natural gas distribution, transmission and storage services to Saskatchewan for more than half a century. SaskEnergy has operated an associated gas facility in the Kindersley, Saskatchewan area since 1957. SaskEnergy delivers the benefits of safe, convenient and environmentally friendly natural gas to more than 332,000 residential, farm, commercial and industrial customers through its 80,000-kilometer distribution and transmission pipeline network. For more information about the company, visit SaskEnergy’s web site at: www.saskenergy.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions. 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. The Corporation believes that the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

The Corporation’s actual results could differ materially from those anticipated in these forward-looking statements as a result of regulatory decisions, competitive factors in the industries in which the Corporation operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Corporation.

The forward-looking statements contained in this news release represent the Corporation’s expectations as of the date hereof, and are subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.
