

ALTAGAS ANNOUNCES CLOSE OF BLYTHE ENERGY CENTER

Calgary, Alberta (May 16, 2013)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) announced today that through its indirect wholly owned subsidiary AltaGas Power Holdings (U.S.) Inc., it has successfully completed the acquisition of Blythe Energy, LLC ("Blythe"), which owns a 507 MW natural gas-fired combined cycle plant (the "Blythe Energy Center"), associated major spare parts, and a related 230 kV 67-mile electric transmission line in Southern California, for US\$515 million.

"Blythe is an important addition to our energy infrastructure portfolio and fits well with our strategy," said David Cornhill, Chairman and CEO of AltaGas. "The addition of natural gas-fired power generation in the US provides us with another platform for growth to meet the increasing demand for clean sources of energy and capitalize on the renaissance of natural gas."

The Blythe Energy Center is contracted under a Power Purchase Agreement ("PPA") through to July 2020 with Southern California Edison. Contract provisions match PPA revenues to all major plant costs.

The Blythe Energy Center is well positioned upon expiry of the PPA in 2020 to contract with other market participants due to its location and ability to serve both the California Independent System Operator and Desert Southwest markets. The demand for cleaner energy sources, including natural gas, continues to be strong across North America and is a key driver for potential future growth of the Blythe Energy Center. Blythe is located on an owned 76-acre site which provides a significant geographic footprint for potential future expansion.

The Acquisition is expected to be accretive to earnings and cash flow per share in 2014, the first full year of ownership, and is expected to add approximately \$50 million in incremental contracted EBITDA per year.

AltaGas is an energy infrastructure business with a focus on natural gas, power and regulated utilities. AltaGas creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on clean energy sources. For more information visit: www.altagas.ca.

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 AltaGas or an affiliate of AltaGas, 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 AltaGas’ 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 AltaGas’ public disclosure documents. Many factors could cause AltaGas’ 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. AltaGas 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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