



NEWS RELEASE

ALTAGAS REPORTS SECOND QUARTER RESULTS

Calgary, Alberta (July 28, 2011) – AltaGas Ltd. (AltaGas) (TSX: ALA) today reported higher funds from operations for the three months ended June 30, 2011, of \$46.7 million (\$0.56 per share) compared to \$44.3 million (\$0.54 per share) for the same period 2010. EBITDA for the three months ended June 30, 2011, was \$56.7 million (\$0.68 per share), compared to \$58.9 million (\$0.72 per share) for the same period 2010.

Normalizing for the impact of all mark-to-market accounting in second quarter, income before income taxes was \$24.3 million compared to \$23.3 million for the same period 2010. Net income applicable to common shares for the three months ended June 30, 2011, was \$16.6 million (\$0.20 per share), compared to \$28.4 million (\$0.35 per share) for the same period 2010, mainly due to the impact of mark-to-market accounting.

“The business segments reported higher operating income of \$45.7 million in second quarter this year compared to \$44.4 million for the same period last year,” said David Cornhill, Chairman and CEO of AltaGas. “We continue to benefit from our diversified portfolio of energy infrastructure assets. During the quarter, strong volumes and frac spreads in our Gas business mitigated the impact of weaker power prices in Alberta. Although processing volumes at some of our facilities were lower than anticipated we maintain a positive outlook for the remainder of 2011. The Utility business benefited from rate base growth in both Alberta and Nova Scotia and hedges in the Power business helped offset the impact of weaker spot prices.”

AltaGas has several significant capital projects underway, creating shareholder value for the long-term. The Company is focused on delivering these projects on time and on budget. On June 20, 2011, AltaGas received the final regulatory approval required to begin construction of the Gordondale gas plant, a 120 Mmcf/d deep cut facility, expected to be fully operational in late 2012. The first phase of Gordondale is on track to deliver 15 Mmcf/d to the Pouce Coupe facility via the Henderson Pipeline in third quarter 2011. The Harmattan Co-stream project is on schedule to be in service late in first quarter 2012. Pipeline construction is expected to begin in August. Construction at the Forrest Kerr site is progressing as planned with excavation of the access tunnels approximately 35 percent complete. Tunneling has begun on the power tunnel and the in-take design is complete.

FINANCIAL HIGHLIGHTS⁽¹⁾:

- Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$56.7 million (\$0.68 per share) for second quarter 2011, compared to \$58.9 million (\$0.72 per share) for same quarter 2010.
- Funds from operations were \$46.7 million (\$0.56 per share) for second quarter 2011, up from \$44.3 million (\$0.54 per share) for same period 2010.
- Net debt on June 30, 2011 was \$981.2 million, compared to \$932.7 million at March 31, 2011 and \$902.4 million at December 31, 2010. AltaGas' debt-to-total capitalization ratio as at June 30, 2011 was 44.8 percent, versus 43.3 percent at March 31, 2011 and 42.7 percent as at December 31, 2010.
- AltaGas executed a new \$125 million unsecured bilateral letter of credit facility on April 26, 2011.
- AltaGas extended the term of the \$600 million and \$75 million credit facilities to four years to May 30, 2015.

⁽¹⁾ *Includes Non-GAAP financial measures. See previous public disclosures available at www.altagas.ca or www.sedar.com for definitions*

IN THE SECOND QUARTER, ALTAGAS:

- Received regulatory and environmental approvals required to proceed with construction of the Gordondale gas plant.
- Began construction of the Henderson pipeline, the first phase of Gordondale, which will bring 15 Mmcf/d of early gas supply to the Pouce Coupe facility by the end of third quarter.

- Completed negotiations on two draft Impact Benefit Agreements (IBAs) with the Tahltan Central Council for the proposed McLymont Creek and Volcano Creek run-of-river projects. The ratification vote will take place September 9 to September 15, 2011.
- Filed Heritage Gas' General Tariff Application on June 15, 2011, with the Nova Scotia Utility Review Board.
- Commenced the Younger extraction facility turnaround on June 13, which returned to partial operations on July 3 and full operation on July 13.
- Acquired a 40 percent interest in a 40 Mmcf/d (gross) gas processing facility in the Pine Creek area.
- Completed an expansion at the Alder Flats gas plant, increasing capacity by 10 Mmcf/d.

CONSOLIDATED FINANCIAL RESULTS

(unaudited) (\$ millions)	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
Revenue	368.1	334.0	771.5	694.5
Net revenue ⁽¹⁾	113.7	124.8	251.4	252.0
EBITDA ⁽¹⁾	56.7	58.9	137.2	120.0
Operating income ⁽¹⁾	34.3	35.6	92.7	73.0
Net income applicable to common shares	16.6	28.4	43.1	64.8
Adjusted net income ⁽¹⁾	20.0	25.6	52.0	58.0
Total assets	2,885.8	2,648.4	2,885.8	2,648.4
Total long-term liabilities	1,279.9	1,161.5	1,279.9	1,161.5
Net additions to capital assets	76.5	41.4	110.0	89.4
Dividends declared ⁽²⁾	27.5	-	54.8	-
Distributions declared ⁽³⁾	-	41.7	-	84.7
Cash flows				
Cash from operations	50.7	34.8	86.5	71.8
Funds from operations ⁽¹⁾	46.7	44.3	110.6	95.6

(\$ per share)	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2011	2010	2011	2010
EBITDA ⁽¹⁾	0.68	0.72	1.65	1.48
Net income - basic	0.20	0.35	0.52	0.80
Net income - diluted	0.20	0.35	0.51	0.80
Adjusted net income ⁽¹⁾	0.24	0.31	0.63	0.72
Dividends declared ⁽²⁾	0.33	-	0.66	-
Distributions declared ⁽³⁾	-	0.54	-	1.08
Cash flows				
Cash from operations	0.61	0.43	1.04	0.89
Funds from operations ⁽¹⁾	0.56	0.54	1.33	1.18
Shares outstanding - basic (millions)				
During the period ⁽⁴⁾	83.2	81.4	83.0	81.1
End of period	83.4	81.6	83.4	81.6

⁽¹⁾ Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of this quarter's MD&A.

⁽²⁾ Dividends declared of \$0.11 per common share per month commencing July 2010.

⁽³⁾ Distributions declared of \$0.18 per trust unit and exchangeable unit per month for the first six months of 2010.

⁽⁴⁾ Weighted average.

CONFERENCE CALL AND WEBCAST DETAILS:

AltaGas will hold a conference call today at 10:00 a.m. MT (12:00 p.m. ET) to discuss second quarter 2011 financial and operating results and other general issues and developments concerning AltaGas.

Members of the media, investment communities and other interested parties may dial (416) 340-2218 or call toll free at 1-866-226-1793. No pass code is required. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/investors/presentations_and_webcasts

Shortly after the conclusion of the call, a replay will be available by dialing (905) 694-9451 or 1-800-408-3053. The passcode is 1707067. The replay expires at midnight (ET) on August 4, 2011. The webcast will be archived for one year.

The complete second quarter report for 2011, including Management's Discussion and Analysis and unaudited financial statements, is available on www.altagas.ca in the Investors/Financial Reports section of its website.

AltaGas is an energy infrastructure business with a focus on natural gas, power and regulated utilities. The Corporation creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on renewable 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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