

ALTAGAS LTD. 195 MW FORREST KERR HYDRO FACILITY INITIATES COMMERCIAL OPERATIONS FINAL TESTING

Calgary, Alberta (October 16, 2014)

AltaGas Ltd. ("AltaGas") (TSX:ALA) today announced that its 195 megawatt (MW) Forrest Kerr run-of-river hydroelectric facility has initiated the final phase to achieve contractual Commercial Operations Date (COD), which involves a 72 hour period of testing to meet specific parameters set forth by BC Hydro.

"We are pleased with the progress made on Forrest Kerr and look forward to achieving COD," said David Harris, Chief Operating Officer of AltaGas. "While we safely commissioned the plant on time and budget, we experienced some unforeseen challenges including significant transmission line constraints and a flooding event on the Iskut River. Our strong relationship with BC Hydro and our dedicated teams enabled us to overcome these challenges."

On July 12, 2014, BC Hydro placed the Northwest Transmission Line (NTL) into service and on July 30, Forrest Kerr was tied-in and delivering power to the NTL at Bob Quinn, British Columbia. Prior to start-up, AltaGas was notified of constraints to the Northwest Transmission Line, which prohibited the systems availability to take full load from Forrest Kerr until September 3, 2014. Further delays to reaching COD were driven by heavy rainfall and extraordinarily high water levels on the Iskut River that occurred in late September. As a precautionary measure AltaGas removed Forrest Kerr from service until commissioning checks could be completed and all units could be safely restarted. Forrest Kerr returned to service on October 11, 2014 and as a result did not contribute materially to the third quarter.

The \$725 million Forrest Kerr facility is supported by a 60-year, fully indexed Electricity Purchase Agreement with BC Hydro.

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

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