



NEWS RELEASE

AltaGas Strengthens Younger Extraction Facility Natural Gas Supply With Addition of Montney Gathering Pipeline

Calgary, Alberta (March 2, 2011) – AltaGas Ltd. (“AltaGas”) (TSX: ALA) today announced an agreement between AltaGas, Provident Energy Ltd. (“Provident”) and a major producer to construct a 25 km, 16 inch diameter natural gas pipeline. The pipeline will connect up to 250 million cubic feet per day (Mmcf/d) of additional supply to the AltaGas operated Younger extraction facility (750 Mmcf/d capacity) at Taylor, British Columbia.

The Younger facility is the only deep cut extraction facility in B.C. The facility should provide recoveries of greater than 80% of C2 and 99% of C3, C4 and C5+ products for all natural gas gathered on the Younger Septimus Pipeline. Such recoveries provide better plant gate netbacks, barrel of oil equivalent production, and reserve recoveries to producers in the Montney resource area. The Montney resource area is one of the most prolific natural gas resource discoveries in North America and provides the sweet and liquids rich gas characteristics well suited for processing at the Younger facility.

AltaGas and Provident will each own an approximately 30% interest in the pipeline and have 76 Mmcf/d of firm shipping capacity. In addition to having a 40% equity interest and shipping capacity of up to 100 Mmcf/d, the senior producer will also construct and operate the pipeline. The estimated cost to complete the pipeline is approximately \$30 million, of which AltaGas has committed \$9 million. The pipeline is anticipated to become fully operational by Q4 2011.

AltaGas is one of Canada’s largest and fastest growing energy infrastructure organizations. AltaGas creates value by acquiring, growing and optimizing gas and power 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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