



NEWS RELEASE

ALTAGAS REPORTS THIRD QUARTER RESULTS

Calgary, Alberta (November 1, 2012) – In third quarter, AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) achieved several milestones toward adding \$1.8 billion in new and expanded assets in 2012. On August 30, 2012, AltaGas closed the acquisition of SEMCO Holding Corporation (SEMCO), the largest acquisition in its eighteen-year history. The acquisition increased Utility customers from just over 100,000 to over 540,000 along with more than a two-fold increase in rate base. During the quarter, construction of the Busch Ranch wind project (Busch Ranch) in southern Colorado was completed successfully ahead of schedule and on budget. In addition, AltaGas commissioned the 50 Mmcf/d expansion of the Blair Creek facility and completed construction of the Gordondale Gas Processing Facility (Gordondale), both of which provide services to producers in the Montney area. As well, the Corporation completed construction of the Harmattan Co-stream project (Co-stream Project). The new and expanded assets in 2012 are underpinned by regulated returns or long-term contracts.

Normalized net income applicable to common shares for the three months ended September 30, 2012 was \$12.3 million (\$0.13 per share), compared to \$14.1 million (\$0.17 per share) for the same period 2011. Net income applicable to common shares was \$8.0 million (\$0.08 per share) for the three months ended September 30, 2012, compared to \$11.1 million (\$0.13 per share) for the same period 2011. Third quarter results reflect the increased seasonality of earnings from the addition of new natural gas distribution utilities in British Columbia and in the United States. Earnings per share was also impacted by 13.9 million more shares issued to fund the SEMCO acquisition.

Normalized net income for the nine months ended September 30, 2012 was \$62.9 million, a six percent increase compared to \$59.4 million for the same period 2011. Normalized earnings per share for the nine months ended September 30, 2012 was \$0.69, compared to \$0.71 for the same period 2011.

Results for the three months ended September 30, 2012 were marked by strong cash flows. Normalized EBITDA was \$65.3 million, 16 percent higher compared to \$56.3 million for the same quarter 2011. Normalized funds from operations was \$54.1 million, 24 percent higher compared to \$43.5 million reported for the same quarter 2011.

“This has been a milestone quarter for AltaGas as we added more assets than any other quarter in our history,” said David Cornhill, Chairman and CEO of AltaGas. “We remain on track to add approximately \$1.8 billion in new assets in 2012 which is expected to add stable earnings from long-term contracts and regulated returns. We continue to be well positioned to deliver long-term earnings, cash flow and sustainable dividend growth into the future. In September we were pleased to announce a 4.3 percent increase in our common share dividend.”

The US\$1.156 billion acquisition of SEMCO was successfully closed on August 30, 2012. The addition of SEMCO represents a significant step in the execution of AltaGas’ strategy and increases stable, regulated cash flows to further support both its dividend and capital growth projects in Canada and the United States.

Construction of the 195 MW Forrest Kerr run-of-river project (Forrest Kerr Project) is progressing well and remains ahead of schedule and on budget. The total project is approximately 70 percent complete. Construction of the intake structure is complete, with powerhouse and in-river work well underway. Forrest Kerr Project construction is expected to be completed by the end of 2013, with commissioning to follow based on the availability of the Northwest Transmission Line. During the third quarter progress continued as expected on the additional Northwest hydroelectric projects, McLymont Creek and Volcano Creek. The two smaller projects are expected to be in service in late 2015. AltaGas has 60-year Electricity Purchase Agreements (EPAs) with BC Hydro which are fully indexed to the Consumer Price Index (CPI) as well as Impact Benefit Agreements (IBAs) with the Tahltan First Nation.

Busch Ranch in southern Colorado was commissioned ahead of schedule and on budget. AltaGas owns a 50 percent interest in the 29 MW wind project with the local utility Black Hills/Colorado Electric Utility Company LP (Black Hills Energy). The power generated is sold pursuant to a 25-year renewable energy purchase agreement with Black Hills Energy. AltaGas added 65 MW of new power assets in 2012, increasing total power generation capacity by 13 percent.

The Co-stream Project, which will use 250 Mmcfd of existing spare capacity at the Harmattan Complex, is in the final commissioning stages and performance testing is in progress. The project is underpinned by a 20-year cost-of-service contract with NOVA Chemicals Corporation. Construction on AltaGas' 120 Mmcfd Gordondale deep-cut, natural gas processing facility is complete and AltaGas successfully commenced processing gas on October 28, 2012. The plant is located in the Montney resource area, one of the largest, low-cost, liquids-rich resource plays in the Western Canadian Sedimentary Basin. This plant will allow AltaGas to provide a midstream solution to a number of producers in the area and is underpinned by a long-term natural gas supply contract with Encana. The 50 Mmcfd expansion at the Blair Creek facility was successfully commissioned and producer gas is being processed. The expansion is underpinned by long-term contracts with three producers.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- AltaGas announced that the November common share dividend will be paid on December 17, 2012, to holders of record on November 26, 2012. The ex-dividend date is November 22, 2012. The amount of the dividend will be \$0.12 for each common share. This dividend is an eligible dividend for Canadian income tax purposes.
- The Board approved a preferred share dividend of \$0.3125 per share for the period commencing October 1, 2012, and ending December 30, 2012, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on December 31, 2012, to preferred shareholders of record on December 13, 2012. The ex-dividend date is December 11, 2012.
- The Board approved a preferred share dividend of US\$0.275 per share for the period commencing October 1, 2012, and ending December 30, 2012, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on December 31, 2012, to preferred shareholders of record on December 13, 2012. The ex-dividend date is December 11, 2012.

Financial Highlights ⁽¹⁾

Effective January 1, 2012, AltaGas follows United States Generally Accepted Accounting Principles (US GAAP). All prior comparative information has been restated to US GAAP.

- Net income applicable to common shares for third quarter 2012 was \$8.0 million, compared to \$11.1 million for same quarter 2011.
- Net income applicable to common shares for third quarter 2012 was adjusted for \$5.1 million of after-tax mark-to-market gains and \$9.4 million of after-tax transaction costs and foreign exchange losses related to the acquisition of SEMCO, resulting in normalized net income of \$12.3 million for third quarter 2012.
- Normalized EBITDA was \$65.3 million for third quarter 2012, compared to \$56.3 million for same quarter 2011.
- Normalized Funds from operations was \$54.1 million (\$0.57 per share) for third quarter 2012, compared to \$43.5 million (\$0.52 per share) for same quarter 2011.
- Net debt as at September 30, 2012 was \$2,527.9 million, compared to \$1,063.0 million as at September 30, 2011 and \$1,334.2 million as at December 31, 2011. AltaGas' debt-to-total capitalization ratio as at September 30, 2012 was 56.0 percent, versus 46.9 percent as at September 30, 2011 and 49.5 percent as at December 31, 2011.
- On August 30, 2012 AltaGas issued 13,915,000 common shares for net proceeds of \$378.4 million.
- On September 28, 2012 AltaGas issued \$350 million of senior unsecured medium term notes. The notes carry a coupon rate of 3.72 percent and mature on September 28, 2021.

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

CONSOLIDATED FINANCIAL RESULTS

(unaudited) (\$ millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011 (restated)	2012	2011 (restated)
Revenue	311.3	339.2	959.5	1,046.5
Net revenue ⁽¹⁾	147.3	116.5	459.7	359.9
Normalized operating income ⁽¹⁾	38.5	35.0	138.3	127.9
Normalized EBITDA ⁽¹⁾	65.3	56.3	210.3	190.5
Net income applicable to common shares	8.0	11.1	75.1	51.1
Normalized net income ⁽¹⁾	12.3	14.1	62.9	59.4
Total assets	5,696.8	2,975.8	5,696.8	2,975.8
Total long-term liabilities	3,239.8	1,323.3	3,239.8	1,323.3
Net additions to property, plant and equipment	1,041.8	112.2	1,365.6	241.4
Dividends declared ⁽²⁾	33.4	27.6	95.4	82.4
Cash flows				
Normalized funds from operations ⁽¹⁾	54.1	43.5	171.2	151.7

(\$ per share)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011 (restated)	2012	2011 (restated)
Normalized EBITDA ⁽¹⁾	0.69	0.67	2.30	2.29
Net income - basic	0.08	0.13	0.82	0.61
Net income - diluted	0.08	0.13	0.81	0.61
Normalized net income ⁽¹⁾	0.13	0.17	0.69	0.71
Dividends declared ⁽²⁾	0.35	0.33	1.04	0.99
Cash flows				
Normalized funds from operations ⁽¹⁾	0.57	0.52	1.87	1.82
Shares outstanding - basic (millions)				
During the period ⁽³⁾	95.3	83.6	91.6	83.2
End of period	104.7	83.8	104.7	83.8

⁽¹⁾ Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of the third quarter 2012 MD&A.

⁽²⁾ Dividends declared of \$0.11 per common share per month from January 1 until October 27, 2011, \$0.115 commencing October 27, 2011 and \$0.12 per common share per month commencing September 10, 2012.

⁽³⁾ Weighted average.

CONFERENCE CALL AND WEBCAST DETAILS:

AltaGas will hold a conference call today at 9:00 a.m. MT (11:00 a.m. ET) to discuss third quarter 2012 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) 340-8061 or call toll free at 1 866 225 0198. There is no passcode. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/investors/presentations_and_events. The webcast will be archived for one year.

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 8916823. The replay expires at midnight (Eastern) on November 8, 2012.

The complete third quarter 2012 report, including Management's Discussion and Analysis and unaudited financial statements, is available on www.altagas.ca in the Investors/Financial Reporting 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.

Investment Community
1-877-691-7199
investor.relations@altagas.ca

Media
(403) 691-7194
media.relations@altagas.ca