AltaGas

NEWS RELEASE
ALTAGAS LTD. REPORTS STRONG THIRD QUARTER 2017 RESULTS AND INCREASES DIVIDEND BY 4.3 PERCENT

Calgary, Alberta (October 19, 2017)

Highlights
(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

- Achieved record third quarter normalized EBITDA[1] of $190 million, an increase of approximately 8 percent over the third quarter of 2016;
- Achieved normalized funds from operations[1] of $143 million in the third quarter;
- Increased common share dividend by $0.0075 per share per month to $2.19 per share annualized (a 4.3 percent increase), beginning with the December 15, 2017 payment;
- Commissioned Townsend 2A on October 1, 2017. The 99 Mmcf/d shallow-cut natural gas processing facility was completed ahead of schedule and under budget;
- Moved the target commercial on-stream date up to early December 2017 from first quarter 2018 for the North Pine NGL Separation Facility, with the estimated project capital cost under budget;
- Significantly advanced construction on the Ridley Island Propane Export Terminal (RIPET);
- Received approval from the Michigan Public Service Commission (MPSC) to construct, own, and operate the Marquette Connector Pipeline (MCP); and
- Launched first phase of asset sale process, which includes the Blythe and Tracy Facilities in California, together with smaller non-core assets.

AltaGas Ltd. (AltaGas) (TSX:ALA) today reported that normalized EBITDA in the third quarter of 2017 increased $14 million to $190 million, compared to the same quarter in 2016. Normalized funds from operations were $143 million ($0.83 per share) for the third quarter of 2017, compared to $137 million ($0.84 per share) in the same period of 2016. On a U.S. GAAP basis, net income applicable to common shares for the third quarter of 2017 was $18 million ($0.10 per share) compared to $46 million ($0.28 per share) in the third quarter of 2016. Normalized net income[1] was $48 million ($0.28 per share) for the third quarter of 2017, compared to $38 million ($0.23 per share) in the same period of 2016.

"Each of our three business segments continue to perform extremely well, delivering consistent strong results and keeping us on track to deliver low double digit percentage growth in normalized EBITDA and high single digit percentage growth in normalized funds from operations over 2016," said David Harris, President and Chief Executive Officer of AltaGas. "Our strong operational and financial performance and our dividend increase underscore our commitment to our shareholders."

Year-to-date, all three of AltaGas' business segments have generated increased results over the same period in 2016. AltaGas remains committed to its strategy of growing each business segment in a balanced long-term manner and is actively pursuing growth opportunities in each segment.

Gas

AltaGas has significantly advanced its northeast British Columbia and energy export strategies. The 99 Mmcf/d Townsend 2A shallow-cut natural gas processing facility was commissioned on October 1, 2017, slightly ahead of schedule and approximately $5 million under budget, with a final cost of approximately $125 million. AltaGas and Painted Pony Energy Ltd. (Painted Pony) have entered into 20-year take-or-pay agreements in respect of Townsend 2A and the incremental field compression equipment, with the take-or-pay expected to take full effect on January 1, 2018. Volumes are expected to progressively ramp up through the fourth quarter of 2017 to the first quarter of 2018.

1. Non-GAAP measure; see discussion in the advisories of this news release

The 10,000 Bbls/d first train of the North Pine NGL Separation Facility is ahead of its original schedule and is expected to come online early in December 2017. AltaGas has entered into long-term supply agreements with Painted Pony for a portion of the total capacity, which includes dedication of all of Painted Pony's NGL produced at the Townsend and Blair Creek facilities. The remaining capacity is expected to be filled with NGL produced in the area.

At RIPET crews are currently working to pour the concrete outer wall for the propane tank, with the fourth of eight concrete pours underway and the final pour scheduled near the end of 2017. Fabrication for the inner steel tank roof is also underway and installation of the inner steel tank will begin. The balance of plant fabrication and civil work is on track and the first modules are scheduled to arrive in the first quarter of 2018. RIPET is expected to be in service by the first quarter of 2019. The construction cost of RIPET is estimated to be approximately $450 to $500 million (for 100 percent of the project).

In addition to the projects that are currently under construction, AltaGas continues to have positive and ongoing discussions with producers for additional processing and gathering capacity in various parts of both the northeast British Columbia and Alberta Montney resource plays. In particular, AltaGas is in discussions with a number of producers in the Gordondale, Alberta area to expand the Gordondale gas gathering system to fill capacity at the Gordondale Facility and potentially expand the facility over time.

Utilities

On August 23, the MPSC approved SEMCO Gas' application to construct, own and operate the MCP. The MCP is a new pipeline that will connect the Great Lakes Gas Transmission Pipeline to the Northern Natural Gas Pipeline in Marquette, Michigan, which will provide system redundancy and increase deliverability, reliability and diversity of supply to SEMCO Gas' approximately 35,000 customers in Michigan's Western Upper Peninsula. AltaGas will be proceeding with engineering and property acquisitions, expected to begin in early 2018, and construction is expected to begin in 2019, with an anticipated in-service date in mid-2020. The project is estimated to cost between US$135 to $140 million.

AltaGas continues to invest in each of its Utilities primarily through system betterment opportunities as well as the addition of new customers. In addition, the September 22, 2017 rate case decision from the Regulatory Commission of Alaska on ENSTAR's 2015 test-year rate case permanently implemented the rate increases from the third quarter of 2016 and a further permanent rate increase is anticipated to be implemented by December 2017.

Power

AltaGas continues to pursue energy storage and solar opportunities, driven by the needs of load serving entities, to enhance the value of its California power position. AltaGas' greenfield and brownfield development sites throughout California are well suited for renewable or energy storage, or both renewable and energy storage projects. AltaGas expects that its greenfield and brownfield development sites could attract multi-year power purchase agreements through either the standard request for proposal (RFP) process or bilateral discussions.

As it relates to the current development project Sonoran, AltaGas continues to have bilateral discussions with public owned utilities, investor owned utilities, community choice aggregators, municipalities, and corporations for multi-year agreements, while also considering resource adequacy market pricing, potential energy and ancillary service offerings, and alternative configurations (gas, combined with solar and energy storage) using the multiple transmission options and capacity available to best serve AltaGas' potential customers in the Desert Southwest region.

Strategic Pending Acquisition of WGL Holdings Inc. (WGL Acquisition)

On January 25, 2017, AltaGas announced it had entered into a merger agreement (the "Merger Agreement") to indirectly acquire WGL Holdings, Inc. (WGL), a diversified energy infrastructure company (the "WGL Acquisition"). The combination will bring

1 Non-GAAP measure; see discussion in the advisories of this news release

together high quality, low-risk, long-lived infrastructure assets in North America with approximately $5 billion in secured growth projects and approximately $2 billion of growth opportunities through 2021 which are in advanced stages of development.

The WGL Acquisition is expected to provide material accretion to earnings per share (8 - 10 percent) and to normalized funds from operations per share[1] (15 - 20 percent) on average through 2021. Starting with the first full year (2019), the WGL Acquisition is also expected to support visible dividend growth of 8 - 10 percent per annum through 2021, while allowing AltaGas to maintain a conservative payout of normalized funds from operations.

On April 24, 2017, AltaGas filed regulatory applications with the public utility commissions in Maryland, Virginia and Washington D.C. On the same date, AltaGas and WGL also filed their voluntary Joint Notice to the Committee on Foreign Investment in the United States (CFIUS), and an application with the United States FERC. In addition, on June 15, 2017, a pre-merger Notification and Report Form on the WGL Acquisition was filed in accordance with the requirements of the HSR Act.

On May 10, 2017, common shareholders of WGL voted in favor of the Merger Agreement. On July 6, 2017, the FERC found that the transaction is consistent with the public interest and is now approved. Also as of July 17, 2017 when the waiting period required by Section 7A(b)(1) of the HSR Act expired, the merger was deemed approved by the Federal Trade Commission and the Department of Justice, such approval being valid for one year. On July 28, 2017, CFIUS provided its approval for the merger.

In addition, the staff to the State Corporation Commission (SCC) of Virginia has filed a productive report recommending approval of the proposed merger with conditions. That report and responses to the report are under consideration by the Virginia Commission, with a decision expected on or about October 20, 2017. In Maryland, the hearing before the Public Service Commission (PSC) of Maryland concluded on October 16, 2017 and a decision is expected on or about December 5, 2017. The hearing before the PSC of DC is scheduled to begin on or about December 5, 2017 with a decision expected to follow in the first half of 2018.

The WGL Acquisition is expected to close in the first half of 2018. AltaGas plans to fund the WGL Acquisition with the proceeds from its aggregate $2.6 billion bought deal and private placement of subscription receipts, which closed in the first quarter of 2017. In addition, AltaGas has US $3 billion available under its fully committed bridge facility, which can be drawn at the time of closing. As progress is made towards meeting closing conditions, AltaGas is moving forward with its long-term financing plan for the WGL Acquisition, the proceeds of which may be used to reduce the bridge facility, which itself will remain available for 12 to 18 months following the close of the WGL Acquisition. AltaGas continues to pursue the first phase of its asset sale process, which includes the Blythe and Tracy facilities in California and certain small non-core assets. Additional financing steps are expected to be undertaken in 2018, including additional asset sales, offerings of senior debt, hybrid securities and equity-linked securities (including preferred shares), subject to prevailing market conditions.

"WGL will provide significant growth and scale to all three of our business segments," said Mr. Harris. "We will look to execute on those opportunities while staying true to our strategy of a balanced portfolio of gas, power and utility assets and a low-risk value proposition for our shareholders."

Financial Update

Normalized EBITDA for the third quarter of 2017 was $190 million, compared to $176 million for the same quarter in 2016. The increase was mainly due to higher realized frac spread and frac exposed volumes, higher equity income from Petrogas, colder weather at certain Utilities, a full quarter of contributions from the Townsend Facility, contributions from the Pomona Energy Storage Facility, the absence of the true-up from the third quarter of 2016 related to the approval of Heritage Gas' customer retention program, and higher dispatch at the San Joaquin Facilities and Blythe. These increases were partially offset by the impact from the sale of the Ethylene Delivery Systems (EDS) and the Joffre Feedstock Pipeline (JFP) transmission assets in the first quarter of 2017, lower ethane revenue due to lower volumes and pricing, and the impact from the weaker U.S. dollar on reported results from U.S. assets. For the three months ended September 30, 2017, the average Canadian/U.S. dollar exchange

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rate decreased to 1.25 from an average of 1.31 in the same quarter of 2016, resulting in a decrease in normalized EBITDA of approximately $3 million.

Normalized funds from operations for the third quarter of 2017 were $143 million ($0.83 per share), compared to $137 million ($0.84 per share) for the same quarter in 2016, reflecting the same drivers as normalized EBITDA, partially offset by lower distributions from Petrogas. In the third quarter of 2017, AltaGas received $3 million of dividend income from the Petrogas Preferred Shares (2016 - $3 million) and $1 million of common share dividends from Petrogas (2016 - $6 million). Petrogas retained cash to fund its growth capital program and for general corporate purposes.

For the third quarter of 2017, AltaGas recorded income tax expense of $14 million compared to $17 million in the same quarter of 2016. The decrease was mainly due to higher taxable earnings at PNG in the third quarter of 2016 as a result of the recovery of development costs for the PNG Pipeline Looping Project, partially offset by higher taxable earnings in the U.S. as a result of a portion of transaction costs incurred on the pending WGL Acquisition not being tax deductible.

On a U.S. GAAP basis, net income applicable to common shares for the third quarter of 2017 was $18 million ($0.10 per share), compared to $46 million ($0.28 per share) for the same quarter in 2016. The decrease was mainly due to the transaction costs incurred on the pending WGL Acquisition, higher unrealized losses recognized on risk management contracts, higher depreciation and amortization expense, and higher preferred share dividends, partially offset by the same previously referenced factors resulting in the increase in normalized EBITDA.

Normalized net income was $48 million ($0.28 per share) for the third quarter of 2017, compared to $38 million ($0.23 per share) reported for the same quarter in 2016. The increase was mainly due to the same previously referenced factors resulting in the increase in normalized EBITDA, partially offset by higher depreciation and amortization expense, and higher preferred share dividends. Normalizing items in the third quarter of 2017 included after-tax amounts related to transaction costs on acquisitions, unrealized losses on risk management contracts, unrealized gains on long-term investments, and financing costs associated with the bridge facility for the pending WGL Acquisition. In the third quarter of 2016, normalizing items included after-tax amounts related to unrealized gains on risk management contracts and long-term investments, and recovery of development costs for the PNG Pipeline Looping Project.

Normalized EBITDA for the nine months ended September 30, 2017 was $584 million, compared to $507 million for the same period in 2016. The increase was mainly due to contributions from the Townsend Facility starting in the third quarter of 2016, higher realized frac spread and frac exposed volumes, higher earnings from Petrogas including the dividend income from the Petrogas Preferred Shares, colder weather experienced at certain of the Utilities, contributions from the Pomona Energy Storage Facility, higher revenue from NGL marketing, higher natural gas storage margins, the absence of equity losses from the Sundance B PPAs, customer and rate growth at the Utilities primarily due to the rate increase at ENSTAR, an early termination payment of $2 million from one of SEMCO's non-regulated customers moving from a fixed fee to a volumetric based contract, and insurance proceeds received by SEMCO's non-regulated operations. These increases were partially offset by the impact of planned turnarounds at the Edmonton Ethane Extraction Plant (EEEP) and the Turin facility in the second quarter of 2017, lower ethane revenue, the impact of the sale of the EDS and JFP transmission assets, and the weaker U.S. dollar on reported results from U.S. assets. For the nine months ended September 30, 2017, the average Canadian/U.S. dollar exchange rate decreased to 1.31 from an average of 1.32 for the same period in 2016, resulting in a decrease in normalized EBITDA of approximately $4 million.

Normalized funds from operations for the nine months ended September 30, 2017 were $436 million ($2.57 per share), compared to $383 million ($2.48 per share) for the same period in 2016, reflecting the same drivers as normalized EBITDA, partially offset by lower cash distributions from Petrogas. During the nine months ended September 30, 2017, AltaGas received $9 million of dividend income from the Petrogas Preferred Shares (2016 - $3 million) and $4 million of common share dividends from Petrogas (2016 - $18 million). Petrogas retained cash to fund its growth capital program and for general corporate purposes.

1 Non-GAAP measure; see discussion in the advisories of this news release

AltaGas recorded income tax expense of $43 million for the nine months ended September 30, 2017 compared to $27 million in the same period of 2016. The increase was primarily due to the absence of the $10 million tax recovery related to the Tidewater Gas Asset Disposition recorded in the first quarter of 2016. In addition, a portion of transaction costs incurred on the pending WGL Acquisition and unrealized losses on certain risk management contracts were not tax deductible, resulting in higher tax expense of approximately $7 million.

In March 2017, AltaGas completed the sale of the EDS and the JFP transmission assets to Nova Chemicals for net proceeds of approximately $67 million, resulting in a pre-tax loss on disposition of $3 million.

Net income applicable to common shares for the nine months ended September 30, 2017 was $41 million ($0.24 per share) compared to $118 million ($0.76 per share) for the same period in 2016. The decrease was mainly due to the transaction costs incurred on the pending WGL Acquisition, higher unrealized losses on risk management contracts, the unrealized loss recognized upon ceasing to account for the Tidewater investment using the equity method, higher income tax, interest, depreciation and amortization expense, higher preferred share dividends, and higher losses on sale of assets, partially offset by the same previously referenced factors resulting in the increase in normalized EBITDA. In addition, net income per common share decreased for the nine months ended September 30, 2017 compared to the same period in 2016 as a result of the same factors impacting net income, as well as the increase in common shares outstanding in 2017.

Normalized net income was $141 million ($0.83 per share) for the nine months ended September 30, 2017, compared to $105 million ($0.68 per share) reported for the same period in 2016. The increase was driven by the same factors impacting normalized EBITDA, partially offset by higher income tax, interest, depreciation and amortization expense, and higher preferred share dividends. For the nine months ended September 30, 2017, normalizing items included after-tax amounts related to transaction costs on acquisitions, unrealized losses on risk management contracts and long-term investments, losses on sale of assets, provision on assets, and financing costs associated with the bridge facility for the pending WGL Acquisition. For the nine months ended September 30, 2016, normalizing items included after-tax amounts related to transaction costs incurred on acquisitions, unrealized gains on risk management contracts and long-term investments, gains on sale of assets, dilution loss recognized on investment accounted for by the equity method, provision on investment accounted for by the equity method, recovery of development costs for the PNG Pipeline Looping Project, and restructuring costs.

2017 OUTLOOK

AltaGas continues to expect to deliver low double digit percentage normalized EBITDA growth in 2017 compared to 2016. All three business segments are expected to drive the annual growth in 2017 compared to 2016, with the Gas segment expecting to generate the highest normalized EBITDA percentage growth, followed by the Power segment and the Utilities segment. The Power and Utilities segments are expected to generate approximately 75 percent of 2017 normalized EBITDA. The Gas segment is expected to increase from 23 percent of total 2016 normalized EBITDA to approximately 25 percent of total 2017 normalized EBITDA. The following are the key drivers contributing to the expected normalized EBITDA growth in 2017:

- First full year of commercial operations at the Townsend Facility and partial year contributions from Townsend 2A entering commercial operations in October 2017;
- Higher earnings from frac exposed volumes as a result of higher commodity prices;
- Higher expected earnings from the Northwest Hydro Facilities due to contractual price increases and continued improvements in operational efficiency resulting in higher volumes and lower operating costs;
- Higher earnings from Petrogas due to a full year of income from the Petrogas preferred shares and increased contributions from all of Petrogas' business segments;
- Actual weather during the nine months ended September 30, 2017 was colder at certain of the Utilities compared to the warmer weather experienced in 2016, with normal weather expected for the remainder of 2017;
- Contributions from the Pomona Energy Storage Facility, which entered commercial operation on December 31, 2016;
- Higher earnings from renewables primarily due to stronger wind generation at the Bear Mountain wind facility and fewer planned outages at the Craven biomass facility;

1 Non-GAAP measure; see discussion in the advisories of this news release

- Higher earnings from energy services primarily due to higher revenue from NGL marketing and higher natural gas storage margins;
- Higher expected volumes at the Gordondale facility following the modifications made to the take-or-pay agreement on June 29, 2017 for volumes solely above the existing take-or-pay commitment to incent Birchcliff Energy Inc. (Birchcliff) to deliver additional volumes; and
- Decrease in administrative expenses as a result of various cost savings initiatives.

The overall forecasted EBITDA growth in 2017 includes the impact from the sale of the EDS and JFP transmission assets to Nova Chemicals, which was completed in March 2017, scheduled turnarounds at EEEP and the Turin facility, which occurred in the second quarter of 2017, lower ethane revenue, and lower average realized rates at the Blair Creek Facility. A turnaround at the Gordondale facility was completed in the third quarter of 2017 that had no material impact on normalized EBITDA, as the majority of Gordondale's turnaround costs were capitalized and revenues billed under a take-or-pay arrangement.

Normalized funds from operations are expected to grow by a high single digit percentage, driven by the same factors noted above for normalized EBITDA growth, but partially offset by higher current tax expenses and lower common share dividends from Petrogas, as Petrogas is retaining a portion of its cash to fund its capital program and for general corporate purposes.

In the Gas segment, additional earnings in 2017 are expected to be driven by a full year of contributions from the Townsend Facility and a partial year of contributions from Townsend 2A entering commercial operations in October 2017, higher frac exposed volumes and commodity prices, higher earnings from Petrogas due to a full year of income from the Petrogas Preferred Share dividends and increased contributions from all of Petrogas' business segments, higher NGL marketing revenue and natural gas storage margins, and higher volumes expected at the Gordondale facility due to the modifications made to the take-or-pay agreement with Birchcliff. The additional earnings are partially offset by the closing of the sale of the EDS and JFP transmission pipelines in the first quarter of 2017, lower ethane revenue at EEEP and the Pembina Empress Extraction Plant (PEEP), scheduled turnarounds at EEEP and the Turin facility in the second quarter of 2017, and lower average realized rates at the Blair Creek Facility. Based on current commodity prices, AltaGas estimates an average of approximately 9,400 Bbls/d will be exposed to frac spreads prior to hedging activities. For the remainder of 2017, AltaGas has frac hedges in place for approximately 6,500 Bbls/d at an average price of approximately $24/Bbl excluding basis differentials.

In the Power segment, increased earnings are expected to be driven by higher expected earnings from the Northwest Hydro Facilities due to contractual price increases and continued improvements in productivity resulting in higher volumes generated and lower operating costs, contributions from a full year of operations at the Pomona Energy Storage Facility, fewer planned outages expected at the Craven biomass facility, and higher earnings from the Bear Mountain wind facility due to stronger wind generation. The earnings and cash flows from the Northwest Hydro Facilities are expected to decline in the fourth quarter based on seasonal water flow patterns. Actual seasonal water flow will vary with regional temperatures and precipitation levels.

The Utilities segment is expected to report increased earnings in 2017 mainly driven by the colder weather during the nine months ended September 30, 2017 at certain of the Utilities and assuming normal weather for the remainder of 2017, compared to the warmer weather experienced at all of the Utilities in 2016. In addition, higher customer usage at certain of the Utilities and lower expenses are expected to benefit earnings. These increases are expected to be partially offset by lower interruptible storage service revenue at CINGSA. Earnings at all of the Utilities (except PNG) are affected by weather in their franchise areas, with colder weather generally benefiting earnings. If the weather varies from normal weather, earnings at the Utilities would be affected. In addition, earnings from the Utilities segment are impacted by regulatory decisions and the timing of these decisions. ENSTAR expects EBITDA to increase by approximately US$6 million for the full year of 2017 (US$4 million through end of September 2017) as a result of the rate increase in 2016, which was made permanent by the rate case decision approved by the RCA on September 22, 2017 and a further permanent rate increase anticipated to be implemented by December 2017.

Earnings generated from AltaGas' U.S. assets are exposed to fluctuations in the U.S./Canadian dollar exchange rate. In general, the strengthening of the U.S. dollar compared to the Canadian dollar will have a positive impact on earnings. The weakening of the U.S. dollar will have the opposite effect. To the extent AltaGas has outstanding U.S. dollar denominated debt and/or

1 Non-GAAP measure; see discussion in the advisories of this news release

preferred shares, fluctuations in the U.S./Canadian dollar exchange rate will have the opposite effect as compared to the impact on earnings generated from AltaGas' U.S. assets.

Monthly Common Share Dividend and Quarterly Preferred Share Dividends

- The Board of Directors approved a dividend of $0.1825 per common share. The dividend will be paid on December 15, 2017, to common shareholders of record on November 27, 2017. The ex-dividend date is November 24, 2017. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board of Directors approved a dividend of $0.21125 per share for the period commencing September 30, 2017 and ending December 30, 2017, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017;
- The Board of Directors approved a dividend of $0.21425 per share for the period commencing September 30, 2017 and ending December 30, 2017, on AltaGas' outstanding Series B Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017;
- The Board of Directors approved a dividend of US$0.330625 per share for the period commencing September 30, 2017 and ending December 30, 2017, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017;
- The Board of Directors approved a dividend of $0.3125 per share for the period commencing September 30, 2017, and ending December 30, 2017, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017;
- The Board of Directors approved a dividend of $0.296875 per share for the period commencing September 30, 2017, and ending December 30, 2017, on AltaGas' outstanding Series G Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017;
- The Board of Directors approved a dividend of $0.328125 per share for the period commencing September 30, 2017, and ending December 30, 2017, on AltaGas' outstanding Series I Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017; and
- The Board of Directors approved a dividend of $0.3125 per share for the period commencing September 30, 2017, and ending December 30, 2017, on AltaGas' outstanding Series K Preferred Shares. The dividend will be paid on December 29, 2017 to shareholders of record on December 13, 2017. The ex-dividend date is December 12, 2017.

1 Non-GAAP measure; see discussion in the advisories of this news release

Consolidated Financial Review

($ millions)	Three Months Ended September 30 2017	2016	Nine Months Ended September 30 2017	2016
Revenue	**502**	492	**1,811**	1,528
Normalized EBITDA(1)	**190**	176	**584**	507
Net income applicable to common shares	**18**	46	**41**	118
Normalized net income(1)	**48**	38	**141**	105
Total assets	**9,932**	9,952	**9,932**	9,952
Total long-term liabilities	**4,624**	4,541	**4,624**	4,541
Net additions to property, plant and equipment	**147**	80	**274**	284
Dividends declared(2)	**90**	85	**268**	233
Normalized funds from operations(1)	**143**	137	**436**	383

($ per share, except shares outstanding)	Three Months Ended September 30 2017	2016	Nine Months Ended September 30 2017	2016
Net income per common share - basic	**0.10**	0.28	**0.24**	0.76
Net income per common share - diluted	**0.10**	0.28	**0.24**	0.76
Normalized net income - basic(1)	**0.28**	0.23	**0.83**	0.68
Dividends declared(2)	**0.53**	0.52	**1.58**	1.51
Normalized funds from operations(1)	**0.83**	0.84	**2.57**	2.48
Shares outstanding - basic (millions)				
During the period(3)	**172**	164	**170**	154
End of period	**173**	165	**173**	165

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

(2) Dividends declared per common share per month: $0.165 beginning on October 26, 2015 and $0.175 beginning on August 25, 2016.

(3) Weighted average.

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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 2017 third quarter results, progress on construction projects, the pending WGL Acquisition and other corporate developments.

Members of the investment community and other interested parties may dial 1-703-318-2220 or call toll free at 1-844-543-5238. The passcode is 89018625. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/invest/events-and-presentations. The webcast will be archived for one year.

Shortly after the conclusion of the call, a replay will be available by dialing 1-404-537-3406 or 1-855-859-2056. The passcode is 89018625. The replay will expire at 2:00 p.m. (Eastern) on October 21, 2017.

Additional information relating to AltaGas' results can be found in the Management's Discussion and Analysis and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 available through AltaGas' website at www.altagas.ca or through SEDAR at www.sedar.com.

AltaGas is an energy infrastructure company 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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FORWARD LOOKING INFORMATION

This news release contains forward-looking statements. When used in this news release the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "further", "continue", "look forward", "future", "pursue", "grow" "believe", "achieve", "aim", "remain", "advance", "seek", "propose", "position", "estimate", "forecast", "expect", "project", "launch". "target", "on track", "potential" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements.

In particular, this news release contains forward-looking statements with respect to, among other things, business objectives; AltaGas' vision and strategy; expected growth and drivers of growth; capital expenditures (including in respect of the 2017 capital program; expected allocation per business segment and project and anticipated sources of financing thereof); results of operations; operational and financial performance; business projects; opportunities; strategic position of assets, ability to provide long-term sustainable value; financial results, expectations regarding 2017 normalized EBITDA (including expected contributions per business segment and sources of generation); projected growth in normalized EBITDA and normalized funds from operations (including per business segment); AltaGas' continuation of advancement of its strategic initiatives; AltaGas' ability to acquire, grow and optimize energy infrastructure, expectations with respect to the WGL Acquisition including the expected closing date, hearing dates and decision dates, ability to obtain, and timeline for obtaining, regulatory and other approvals and meeting closing conditions, anticipated benefits of the WGL Acquisition including the alignment with AltaGas' vision and strategy, portfolio and scale of assets of the combined entity, nature, number, value and quality of the assets, the nature, number, value, quality, timing and stage of development of growth projects and opportunities, EPS accretion and normalized FFOPS accretion, both in the first full year following the WGL Acquisition and over the period to 2021, growth on an

1 Non-GAAP measure; see discussion in the advisories of this news release

absolute dollar and per share basis, strength of earnings (including, without limitation, EPS, FFOPS and EBITDA growth rate through 2021), annual dividend growth rate, dividend payout ratios, ability of the WGL Acquisition to support dividend growth, compatibility, strength and focus of the combined entity, complimentary nature of businesses, ability to increase scale and provide diversity and AltaGas' ability to move forward with long-term financing plans, ability to sell Blythe and Tracy and other non-core assets and complete long-term financing plan in phases; ability to complete and timeline for completing additional financing steps including offerings, intended use of proceeds from financing plans, expected use of proceeds from the issuance of subscription receipts; expectations regarding availability of and indebtedness under bridge facility and expectations regarding reduction and maturity of bridge facility, AltaGas' ability to execute on opportunities and maintain a balanced portfolio among business segments; expectations regarding current projects under construction and new opportunities for 2017 driving shareholder value; expectations with respect to the Townsend Facility and Townsend 2A including, contribution to earnings and impact on earnings; gas volumes and ramping of gas volumes, timing of effectiveness of take or pay arrangements; expectations relating to the North Pine Facility including timeline for construction completion and commercial operation, facility specification, expectations regarding sources to fill capacity; expectations with respect to RIPET including cost, timing of construction completion, delivery of modules and commercial operations; AltaGas' ability to source additional processing and gathering capacity and nature of discussions with producers; expectations regarding the Gordondale facility including gas volumes, the ability to fill capacity and expand; expectations relating to the Marquette Connector Pipeline including timeline for engineering and property acquisition, construction and in-service date; cost, location, ability to construct, connection capability to existing pipelines, gas supply opportunities and potential benefits; expectations regarding the utilities segment including opportunities for system betterment and customer growth and expectations relating to ENSTAR's 2016 rate case; expectations relating to AltaGas' ability to fund its projects and business; expectations regarding energy storage and solar opportunities, ability to enhance the value of AltaGas' California power position, expectations regarding the suitability and locational benefits of AltaGas' greenfield and brownfield sites throughout California and ability to attract power purchase agreements, bid in RFPs or negotiate bilateral agreements; expectations regarding Sonoran including potential for re-configuring, offering resource adequacy, energy and ancillary services, using multiple transmission options, serving several western U.S. states, nature of bilateral discussions, potential counterparties and ability to enter into multi-year agreements; expectations relating to the Northwest Hydro Facilities including expected generation, operational efficiency, operating costs, contributions to earnings and seasonality impacts (including water flow patterns); expectations regarding gas processing volumes and disposition of smaller non-core assets; expectations regarding Petrogas including dividends from Petrogas, and Petrogas' retention of cash and contributions; expectations regarding the U.S. dollar exchange rate, foreign exchange forward contracts, commodity hedge gains, frac spread exposure, frac exposed volumes, NGL marketing revenue, storage margins, recovery in commodity prices, weather, wind generation and operating and administrative costs; expectations regarding the impact on earnings of the sale of EDS and JFP pipelines; impact of facility turnarounds and outages on earnings and timing of turnarounds and outages; expectations regarding rates at the Blair Creek facility; earnings from the utilities segment including from rate base and customer growth and higher customer usage and impact on earnings from lower interruptible storage service revenue from CINGSA and regulatory decisions and timing of regulatory decisions (including in respect of ENSTAR's 2016 rate case and expected decision date and expected revenue increase); AltaGas' ability to focus on enhancing productivity and streamlining businesses; expectations regarding dividends (including the payment of dividends) and expectations regarding timing of the conference call.

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, aboriginal or regulatory developments, changes in tax legislation, fluctuations in commodity prices, interest or foreign exchange rates, access to capital markets, general economic conditions, changes in the political environment, changes to environmental and other laws and regulations, cost for labour, equipment and materials and other factors set out in AltaGas' continuous disclosure documents, including the Annual Information Form and the MD&A as at and for the year ended December 31, 2016.

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,

1 Non-GAAP measure; see discussion in the advisories of this news release

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.

Financial outlook information contained in this news release about prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein.

This news release contains references to certain financial measures that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other entities. The non-GAAP measures and their reconciliation to GAAP financial measures are shown in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the period ended September 30, 2017. These non-GAAP measures provide additional information that management believes is meaningful regarding AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for and incremental information associated with each non-GAAP measure is discussed in AltaGas' MD&A as at and for the period ended September 30, 2017. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP.

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