

ALTAGAS LTD. ANNOUNCES START-UP OF 66 MW MCLYMONT CREEK HYDRO FACILITY

Calgary, Alberta (October 1, 2015)

AltaGas Ltd. (“AltaGas”) (TSX:ALA) today announced that it has started producing power at its 66 megawatt (MW) McLymont Creek run-of-river hydroelectric facility. Commissioning of the powerhouse systems and high voltage switchyard were completed in September and the facility is now tied-in and delivering power to the Northwest Transmission Line at Bob Quinn, British Columbia. The McLymont Creek facility is supported by a 60-year, fully indexed Electricity Purchase Agreement with BC Hydro.

“The safe commissioning of McLymont marks the final stage in our \$1 billion Northwest Projects, the most significant construction undertaking in AltaGas’ history,” said David Harris, President and COO of AltaGas. “Weather conditions coupled with civil construction challenges at the intake structure created delays in our construction schedule costing us approximately two months of lost generation. These issues are now behind us and we are now ready to start conducting final testing to achieve commercial operations. The commissioning of McLymont and the other Northwest Projects was made possible by the outstanding contributions of the Tahltan First Nations, our dedicated employees and contractors, BC Hydro and the Government of British Columbia.”

Over the next several weeks a number of online electrical and system functional checks will be performed. AltaGas expects final project commercial operations to be achieved in the fourth quarter 2015, river conditions permitting. As a result financial contributions from McLymont are not expected to be material in 2015.

Forrest Kerr and Volcano Creek have been running exceptionally well and outperforming design parameters. However, rainfall in the region which has been below the seasonal average, combined with the smaller snowpack this year, created lower than average river flows at Forrest Kerr in September. In addition, we had to complete environmental testing during max flow condition per our water license. As a result, EBITDA from Forrest Kerr was impacted by approximately \$5 million.

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

Investment Community

1-877-691-7199

investor.relations@altagas.ca

Media

(403) 691-7197

media.relations@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.