

ALTAGAS PROVIDES ACCESS TO PREMIUM ASIAN MARKETS FOR CANADIAN PRODUCERS

Calgary, Alberta (May 24, 2016)

AltaGas Ltd. (“AltaGas”) (TSX:ALA) announced today that its wholly owned subsidiary, AltaGas LPG Limited Partnership, has entered into a Memorandum of Understanding (the “Agreement”) with Astomos Energy Corporation (“Astomos”) setting out key commercial terms for the sale and purchase of Liquefied Petroleum Gas (“LPG”) from the proposed Ridley Island Propane Export Terminal (the “Export Terminal”). The Export Terminal provides AltaGas’ customers with the opportunity to realize incremental value through access to Asian markets and pricing for western Canadian propane.

Under the terms of the multi-year Agreement, Astomos will purchase at least 50 percent of the 1.2 million tonnes of propane available to be shipped from the Export Terminal each year.

“The long-term Agreement with Astomos is a major step in underpinning development of our Ridley Island Propane Export Terminal, Canada’s first propane export terminal,” said David Harris, President and Chief Executive Officer of AltaGas. “This Export Terminal is one of the key building blocks of our strategy to build out natural gas processing and liquids separation capacity in the Montney formation, a leading North American gas play. The additional processing capacity we are building and connectivity to the Export Terminal provides upstream energy producers with unparalleled access at the most competitive rates to these premium markets. Market diversity, including global markets outside Canada, is a key step forward for Canadian producers. We look forward to working closely with Astomos, one of the largest LPG players in the world, and with producers to maximize their profitability.”

AltaGas has begun the formal environmental review process for the Export Terminal, located near Prince Rupert, British Columbia on a brownfield site with a history of industrial development. The site is leased by AltaGas from Ridley Terminals Inc. (“RTI”) and is connected to Canadian National’s existing rail network and AltaGas processing plants. The site includes rights to an existing world class marine jetty with deep water access to the Pacific Ocean. RTI leases the land from the Prince Rupert Port Authority. Preliminary engineering has been completed and the front-end engineering and design study is being completed for the second quarter of 2016. AltaGas expects to reach a financial investment decision in 2016 for the approximately \$400 - \$500 million Export Terminal and commence commercial operations in 2018, subject to continuing First Nations and stakeholder engagement and receipt of necessary approvals.

Astomos Energy Corporation was established as joint venture between Idemitsu Kosan Ltd. and Mitsubishi Corporation in 2006. It is one of the largest LPG players in the world, handling in excess of 10 million metric tons of LPG annually. Astomos currently operates a fleet of 21 Very Large Gas Carriers that support its importing, distribution and international trading businesses. They hold the top market share for both sales and imports to Japan, and have significant market share across Asia. For more information visit: www.astomos.com

AltaGas owns natural gas processing facilities in British Columbia and Alberta, including production of LPG. AltaGas is part owner and operator of a similar LPG export terminal in Ferndale, Washington.

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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This news release contains forward-looking statements. When used in this news release, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “develop”, “target”, “believe”, “allow”, “seek”, “propose”, “estimate”, “expect”, “potential” 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, expectations with respect to AltaGas’ arrangements with Astomos including timing of entering into a definitive sale and purchase agreement, the amount of LPG to be purchased by Astomos, the potential for extension of the term of the arrangement, Astomos’ plans to increase its LPG Fleet and expectations with respect to Astomos’ handling capacity, expectations with respect to the development of the proposed Ridley Island Propane Export Terminal including that it will be the first propane export terminal off the B.C. west coast, support for the project, access to new markets, job creation during construction and operation, employment opportunities for local community and First Nations, development costs, construction costs, propane transport capability, initial shipment capacity and timing of final investment decision, completion of front-end engineering and design study and commercial operations, expectations relating to the development of additional LPG production facilities, 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, changes in political environment, general economic conditions, operational risk, volume declines, construction risk, 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.