



NEWS RELEASE

ALTAGAS REPORTS 31 PERCENT INCREASE IN EARNINGS PER SHARE AND RECORD CASH FLOW FOR 2013

Calgary, Alberta (February 27, 2014)

Fourth Quarter and 2013 Highlights

- 31 percent increase in normalized earnings per share in 2013, compared to 2012;
- A record \$508.9 million in normalized EBITDA in 2013, a 51 percent increase compared to 2012;
- Normalized earnings per share increased by 11 percent and normalized EBITDA increased by 18 percent in fourth quarter 2013, compared to fourth quarter 2012;
- A record \$402.7 million, a 43 percent increase, in normalized funds from operations in 2013; \$117.1 million in fourth quarter 2013;
- Increased dividend by 6.25 percent; payout ratio of 43 percent of normalized funds from operations;
- The 195 MW Forrest Kerr hydro project is in commissioning and on track to be in service in mid-2014; 16 MW Volcano hydro project advanced to 2014 – two years ahead of schedule; and
- Strategic relationships in place to execute on LPG and LNG export initiatives.

AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) (TSX:ALA.PR.E) today reported significant earnings and cash flow growth for 2013. Normalized net income increased to \$175.8 million (\$1.51 per share), compared to \$109.5 million (\$1.15 per share) in 2012. Net income applicable to common shares was \$181.5 million (\$1.56 per share) for 2013, compared to \$101.8 million (\$1.07 per share) in 2012.

Normalized EBITDA for 2013 increased 51 percent to \$508.9 million, compared to \$336.9 million for 2012. Normalized funds from operations was \$402.7 million (\$3.47 per share) for 2013, compared to \$281.0 million (\$2.96 per share) in 2012.

"AltaGas achieved outstanding results in 2013, delivering growth of over 30 percent in earnings per share and 17 percent in FFO per share. On the growth front, we successfully positioned ourselves for energy exports with the expansion of our gas business and we established a significant footprint in the US power market," said David Cornhill, Chairman and CEO of AltaGas. "We also achieved EBITDA of over half a billion for the first time – a great achievement in the company's twenty-year history. 2014 will be another exciting year for AltaGas as we commission our Forrest Kerr and Volcano projects. These projects are marquee projects that will bring another step change to our already strong portfolio of energy infrastructure assets."

The increase in earnings and cash flow were the result of the strength of AltaGas' operations and the positive growth across all business segments in the year. Full year results from SEMCO, Gordondale and Harmattan Co-stream as well as the expansion of Blair Creek and other smaller assets contributed significant incremental earnings in 2013 compared to 2012. In 2013, AltaGas continued to execute its strategy of adding clean energy to its portfolio and moving its energy export initiatives forward. The acquisition of Blythe and the 25 percent interest in Petrogas Energy Corp. (Petrogas) also contributed to the strong growth in earnings and cash flow. AltaGas also benefited from higher realized power prices in Alberta, colder weather in Michigan, Alberta and Nova Scotia and lower income taxes. Earnings in the year were partially offset by lower realized frac prices, higher general and administrative costs, and higher interest expense as a result of AltaGas' growth.

Fourth quarter normalized net income was \$59.9 million (\$0.49 per share), compared to \$46.6 million (\$0.44 per share) in fourth quarter 2012. Net income applicable to common shares was \$53.2 million (\$0.44 per share) in fourth quarter 2013, compared to \$26.7 million (\$0.25 per share) for same period 2012.

Normalized EBITDA was \$153.3 million in fourth quarter 2013, compared to \$129.4 million in fourth quarter 2012. Normalized funds from operations was \$117.1 million (\$0.96 per share) in fourth quarter 2013, compared to \$112.0 million (\$1.07 per share) in fourth quarter 2012. The lower normalized funds from operations on a per share basis was due to the timing of cash distributions from equity-owned investments.

The solid earnings delivered in fourth quarter 2013 were due to the contributions from Blythe and a 25 percent interest in Petrogas which were acquired in 2013, higher volumes of natural gas processed, stronger earnings from NGL sales, higher production at Bear Mountain, higher volumes delivered and higher rate base at the utilities, and lower taxes. Earnings in the quarter were negatively impacted by weaker power prices in Alberta, higher interest expense and higher general and administrative costs compared to the same quarter last year.

Project Updates

Northwest Run-of-river Projects

AltaGas continues to make solid progress on its three Northwest run-of-river hydro projects. The 195 MW Forrest Kerr project is mechanically complete and commissioning is ongoing. The nine turbine generator units have been assembled, aligned and grouted into position. Based on progress made over the past six months, AltaGas expects the Northwest Transmission Line to be available in time to enable Forrest Kerr to be in service by mid-2014.

At the 16 MW Volcano Creek project, intake construction, weir installation, powerhouse building, turbine foundations, and powerhouse crane installation have been completed. The penstock excavation is also complete with the penstock installation to commence in the spring of 2014. The project is expected to be in service in late 2014.

At the 66 MW McLymont Creek project, construction of the 7-kilometre intake access road is complete. Excavation of the McLymont power portal has been completed and approximately 50 percent of the 2,800 metre power tunnel has been excavated. Excavation of the powerhouse foundation is complete and installation of the powerhouse foundation has commenced. The project is expected to be in service in mid-2015.

Energy Exports

AltaGas has significantly advanced its liquefied petroleum gas (LPG) export project. On October 1, 2013 AltaGas closed the acquisition of a 25 percent interest in Petrogas, a privately held leading North American integrated midstream company. Petrogas provides key infrastructure as well as supply logistics and marketing expertise required to pursue LPG exports.

On October 24, 2013, AltaGas announced it will increase its effective ownership of Petrogas to one-third and will transfer its current 25 percent ownership to AltaGas Idemitsu Joint Venture Limited Partnership (AIJVLP). AIJVLP will acquire an additional 41 2/3 percent interest in Petrogas. As a result of the transaction, Petrogas will be effectively owned one third by each of AltaGas, Idemitsu Kosan Co., Ltd., and Petrogas' current majority shareholder. The acquisition is expected to be accretive to AltaGas' earnings per share by approximately \$0.10 in 2015. All regulatory approvals have been obtained and the transaction is expected to close on March 1, 2014.

AIJVLP is also preparing preliminary engineering designs for the construction of the refrigeration facilities and is in negotiations for potential site locations. The proposed LPG export business is subject to consultations with First Nations, and the completion of the feasibility study, permitting, regulatory approvals and facility construction. Based on progress to date, AltaGas expects LPG exports to begin as early as 2016.

AltaGas continues to advance its liquefied natural gas export (LNG) initiative. On October 29, 2013 Triton LNG Limited Partnership (Triton LNG), a subsidiary of AIJVLP, filed an application with the National Energy Board for approval to export up to 2.3 million tonnes of LNG per year. The application is an important step required in the project's progress. Triton LNG is also preparing preliminary engineering designs for the construction of the liquefaction facilities and is

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 fourth quarter and 2013 financial results, progress on construction projects and other corporate developments.

Members of the media, investment communities and other interested parties may dial (416) 340 2219 or call toll free at 1 866 226 1798. 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 5334017. The replay expires at midnight (Eastern) on March 6, 2014.

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

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) 691-9873

investor.relations@altagas.ca