

ALTAGAS ANNOUNCES US\$515 MILLION US POWER ACQUISITION AND \$352 MILLION COMMON SHARE OFFERING

Calgary, Alberta (March 25, 2013)

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AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) announced today that its indirect wholly owned subsidiary AltaGas Power Holdings (U.S.) Inc. has entered into a purchase and sale agreement with affiliates of LS Power Equity Advisors, LLC to acquire Blythe Energy, LLC ("Blythe"), which owns a 507 MW natural gas-fired combined cycle plant (the "Blythe Energy Center"), associated major spare parts, and a related 230 kV 67-mile electric transmission line in Southern California, for US\$515 million (the "Acquisition").

"The Acquisition of Blythe is an important addition to our power business. The power purchase agreement provides stable earnings and cash flow and with the infrastructure in place today, the facility is well positioned to access two premium power markets in California and Arizona in the future," said David Cornhill, Chairman and CEO of AltaGas. "The addition of natural gas-fired power generation to our energy infrastructure portfolio in the US provides another platform for growth to meet the increasing demand for clean sources of energy."

The Acquisition is expected to be accretive to earnings and cash flow per share in 2014, the first full year of ownership, and is expected to add approximately \$50 million in incremental contracted EBITDA per year.

In connection with the Acquisition, AltaGas has entered into an agreement with a syndicate of underwriters, co-led by TD Securities Inc. and RBC Capital Markets as joint bookrunners, under which the underwriters have agreed to purchase from AltaGas and sell to the public 10,100,000 common shares at \$34.90 per common share (the "Offering"). The sale of the common shares will result in gross proceeds of approximately \$352 million, approximately \$405 million if the Over-Allotment Option defined and described below is exercised in full.

The Blythe Energy Center is contracted under a Power Purchase Agreement ("PPA") through to July 2020 with Southern California Edison ("SCE"). Contract provisions match PPA revenues to all major plant costs.

The Blythe Energy Center is well positioned upon expiry of the PPA in 2020 to contract with other market participants due to its location and ability to serve both the California Independent System Operator ("CAISO") and Desert Southwest markets. The demand for cleaner energy sources, including natural gas, continues to be strong across North America

and is a key driver for potential future growth of the Blythe Energy Center. Blythe is located on an owned 76-acre site which provides a significant geographic footprint for potential future expansion.

Investment Highlights

Strategic Fit

- The Acquisition fits with AltaGas' vision of being one of North America's leading energy infrastructure companies and aligns with AltaGas' strategy of adding stable, long life assets;
- The Acquisition is consistent with AltaGas' strategy of increasing its clean energy portfolio by adding gas-fired generation and enhancing power market and counterparty diversity; and
- It is expected that the Blythe Energy Center will provide a significant US geographic footprint for AltaGas' power business, with opportunities for future growth.

Stable Cash Flows

- It is expected that the Acquisition will provide stable cash flows to further support both AltaGas' dividend and capital growth projects; and
- Cash flows are underpinned by the PPA with SCE.

Description of the Asset

The Blythe Energy Center is a natural gas-fired combined cycle power plant located in Blythe, California. The facility employs proven Siemens technology and has a low base load heat rate in the range of 7,000 to 7,500 Btu/kWh, low emissions, responsive start times and flexible ramp rates. The facility is one of the most economic natural gas generating facilities on the CAISO dispatch curve.

The facility is directly connected to Southern California Gas and interconnects with SCE and the CAISO via a 67-mile transmission line. The transmission line is capable of transmitting 1,100 MW and has excess capacity to meet future load growth.

The facility is also interconnected with the El Paso Natural Gas system and is situated to re-connect to the Western Area Power Administration ("WAPA"), providing market access optionality upon expiry of the PPA in 2020.

The Blythe Energy Center is operated pursuant to an Operating and Maintenance agreement with NextEra Energy Operating Services Inc. ("NextEra"). The initial term of this

agreement expires in November 2016. NextEra Energy Resources developed, constructed and placed into service the Blythe Energy Center in 2003.

Acquisition Funding

AltaGas expects the cash to close the Acquisition will be provided from a combination of equity and debt, specifically from: (i) a portion of the proceeds of the Offering; (ii) AltaGas' existing credit facilities; (iii) future debt and preferred share financings; (iv) a commitment for a new US\$300 million senior unsecured revolving credit facility from the Toronto-Dominion Bank and the Royal Bank of Canada.

The Acquisition will be financed consistent with AltaGas' current capital structure. AltaGas will continue to maintain its strong balance sheet and financial discipline and is committed to maintaining its investment grade credit rating.

Transaction Closing

The transaction is subject to customary approvals including regulatory approvals from the Federal Energy Regulatory Commission of the United States government, and filings and approvals including the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The acquisition is expected to close in the second quarter of 2013.

Common Equity Offering

Pursuant to the Offering, AltaGas has agreed to sell, on a bought deal basis, an aggregate of 10,100,000 common shares at a price of \$34.90 per common share (the "Offering Price") for gross proceeds of approximately \$352 million. The common shares will be offered through a syndicate of underwriters co-led by TD Securities Inc. and RBC Capital Markets as joint bookrunners. AltaGas has also granted the underwriters an option to purchase, in whole or part, up to an additional 1,515,000 common shares at the Offering Price to cover over-allotments, if any, for a period of 30 days following the closing of the Offering (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, gross proceeds from the Offering will be approximately \$405 million.

The Offering will be used, in part, to fund the Acquisition as well as for general corporate purposes and to support future growth initiatives, including those related to AltaGas' energy export business conducted through its AltaGas Idemitsu Joint Venture Limited Partnership.

Completion of the Offering is not contingent on the closing of the Acquisition. If the Acquisition does not close, the portion of the proceeds from the Offering allocable to the Acquisition will be reallocated to the remaining purposes set forth above.

The common shares will be offered in all provinces of Canada by way of a supplement under the Corporation's base shelf prospectus. The Offering is subject to the receipt of all necessary regulatory and stock exchange approvals. Closing of the Offering is expected to occur on or about April 4, 2013.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the Offering has been qualified for distribution. The common shares offered are not, and will not be, registered under the securities laws of the United States of America, nor any State thereof, and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

About AltaGas Ltd.

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 renewable 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”, “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, the anticipated benefits of the Acquisition, the closing of the Acquisition, the closing of the Offering, the use of proceeds of the Offering, the maintenance of its investment grade rating, business objectives, expected growth, results of operations, 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. Financial outlook information contained in this press release about prospective cash flows and EBITDA 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 any such financial outlook information contained herein should not be used for purposes other than for which it is disclosed herein. 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.