



NEWS RELEASE

ALTAGAS REPORTS STRONG FIRST QUARTER RESULTS

Calgary, Alberta (May 5, 2011) – AltaGas Ltd. (AltaGas, the Corporation) (TSX: ALA) today reported EBITDA for the three months ended March 31, 2011, of \$80.8 million (\$0.98 per share), compared to \$61.1 million (\$0.76 per share) for the same period of 2010. Funds from operations for the three months ended March 31, 2011, were \$64.0 million (\$0.77 per share), compared to \$51.3 million (\$0.63 per share) for the same period of 2010.

Income before income taxes for the three months ended March 31, 2011, was \$38.1 million (\$0.46 per share), compared to \$31.0 million (\$0.38 per share) for the same period of 2010. Net Income applicable to common shares for the three months ended March 31, 2011, was \$26.6 million (\$0.32 per share), compared to \$36.4 million (\$0.45 per share) for the same period of 2010.

“The business segments reported operating income of \$68.6 million compared to \$46.0 million for the same period last year,” said David Cornhill, Chairman and CEO of AltaGas. “We saw higher natural gas volumes in areas where producers are capitalizing on liquids-rich and solution gas, the benefit of our growing rate base and colder weather at our utilities and higher power prices and volumes. Our overall results reflect the strength of the Corporation’s diversified portfolio of energy infrastructure assets.”

AltaGas’ short-term growth projects include expansions at the Alder Flats and Ante Creek field gathering facilities, the addition of a 40 percent interest in a new 40 Mmcf/d (gross) facility serving the Pine Creek area, a second cogeneration power plant and the co-stream project at the Harmattan Complex, and a waste heat recovery project in Sparwood, BC. AltaGas continues to further its plans to meet producers’ needs in northeast British Columbia and northwest Alberta as it adds the Henderson Pipeline and a 30 percent interest in a pipeline to the Younger Extraction Plant to its suite of energy infrastructure assets.

As AltaGas creates long-term shareholder value, it continues to build out its renewable energy business to secure strong returns for investors. In 2011, AltaGas continues construction on its Forrest Kerr run-of-river project in northwest British Columbia. During the quarter camp construction and some bridgework were completed and tunneling commenced. The 195 MW project is expected to be in-service in July 2014 and is backed by a 60-year Electricity Purchase Agreement (EPA) with BC Hydro that is inflated to the Consumer Price Index. AltaGas is also pursuing several agreements for the McLymont Creek and Volcano Creek hydro projects in the Forrest Kerr vicinity. On the gas front, AltaGas continues to progress development on the Gordondale Gas Plant with deep-cut facilities, which is expected to be in service late 2012.

ORGANIZATIONAL ANNOUNCEMENT

Richard Alexander has decided to retire from AltaGas effective June 30, 2011. We are pleased that Mr. Alexander will remain on the Board of Directors of Heritage Gas Limited where he will be able to continue to contribute to the ongoing success of AltaGas. We wish Rick every success in his retirement and thank him for his many contributions to AltaGas during his tenure with the Corporation. We look forward to his ongoing contributions at Heritage Gas Limited.

In recognition of the strength and depth of the AltaGas executive team, effectively immediately, David Harris and Deborah Stein have been promoted to the positions of President Power and Senior Vice President Finance and Chief Financial Officer respectively. Mr. Harris will join David Cornhill, Chief Executive Officer, David Wright, Executive Vice President Strategy and Corporate Development, Gregory Aarssen, Co-President Gas, Randy Toone, Co-President Gas, Patricia Newson, President AltaGas Utility Group Inc. and Deborah Stein on the AltaGas Executive Committee. As President Power, Mr. Harris will help to drive growth and profitability in all areas of our conventional and renewable power businesses and will be accountable for ensuring the power division achieves established strategic, operational and financial objectives. Additionally, he will ensure divisional assets are optimized in the best interests of shareholders, employees and communities, including critical growth and construction projects, such as the Forrest Kerr run-of-river

hydroelectric project in north-western British Columbia. As Senior Vice President Finance and Chief Financial Officer, Ms. Stein continues in the chief financial officer role for the Corporation and the promotion to the Senior Vice President level reflects her growing contribution to the company's strategic direction and her leadership at the senior executive level at AltaGas.

IFRS DEFERRAL:

AltaGas has deferred the implementation of International Financial Reporting Standards (IFRS) and plans to report financial results under Canadian Generally Accepted Accounting Principles (CGAAP) for fiscal 2011. AltaGas is a qualifying entity for the IFRS deferral as a result of its rate-regulated activities. The Corporation is currently evaluating its accounting policy choices and will determine those most appropriate for AltaGas' business activity, including the option to adopt US GAAP rather than IFRS.

FINANCIAL HIGHLIGHTS⁽¹⁾:

- EBITDA was \$80.8 million (\$0.98 per share) for first quarter 2011, compared to \$61.1 million (\$0.76 per share) for the same quarter in 2010.
- Funds from operations were \$64.0 million (\$0.77 per share) for first quarter 2011, compared to \$51.3 million (\$0.63 per share) for the same period in 2010.
- Total net debt on March 31, 2011 was \$932.7 million, compared to \$1,036.6 million at March 31, 2010. AltaGas' net debt-to-total capitalization ratio as at March 31, 2011, was 43.3 percent, versus 48.8 percent at March 31, 2010, and 42.7 percent as at December 31, 2010.
- AltaGas issued \$200 million of senior unsecured medium term notes. The notes carry a coupon rate of 4.1 percent and mature on March 24, 2016.

⁽¹⁾ Includes non-GAAP financial measures. See discussion in "Non-GAAP Financial Measures" section of this quarter's MD&A.

IN THE FIRST QUARTER ALTAGAS:

- Processed higher NGLs and generated more power compared to first quarter 2010.
- Completed contracting for the surge and access tunnels and turbines for Forrest Kerr in line with budget estimates.
- Completed the 400-person capacity camp for Forrest Kerr, with current occupancy of approximately 75.
- Accepted an offer to sell the Groundbirch facility resulting in a pre-tax gain of approximately \$6 million.
- Completed a letter of intent to acquire a 40 percent interest in a 40 Mmcf/d (gross) facility in the Pine Creek area.
- Completed right-of-way work required to begin construction of the Henderson pipeline to bring an incremental 15 Mmcf/d of natural gas to the Pouce Coupe facility starting in August 2011.
- Signed a definitive processing agreement with NOVA chemicals for the Harmattan Co-stream Project.

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 first quarter 2011 financial and operating results and other general issues and developments concerning AltaGas.

Members of the media, investment communities and other interested parties may dial (416) 340-8530 or call toll free at 1-877-240-9772. No pass code is required. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/investors/presentations_and_webcasts

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 8252746. The replay expires at midnight (ET) on May 12, 2011. The webcast will be archived for one year.

The complete first quarter report for 2011, including Management's Discussion and Analysis and unaudited financial statements, is available online at www.altagas.ca/investors/financial_reports.

CONSOLIDATED FINANCIAL RESULTS

(unaudited)

Three Months Ended

March 31

(\$ millions)

2011

2010

Revenue	403.4	360.5
Net revenue ⁽¹⁾	137.7	127.2
EBITDA ⁽¹⁾	80.8	61.1
Operating income ⁽¹⁾	58.5	37.4
Net income applicable to common shares	26.6	36.4
Adjusted net income ⁽¹⁾	32.1	32.4
Income before income taxes	38.1	31.0
Total assets	2,851.7	2,652.8
Total long-term liabilities	1,270.6	923.8
Net additions to capital assets	33.5	48.3
Dividends declared ⁽²⁾	27.3	-
Distributions declared ⁽³⁾	-	43.0
Cash flows		
Cash from operations	35.9	37.0
Funds from operations ⁽¹⁾	64.0	51.3

Three Months Ended

March 31

(\$ per share)

2011

2010

EBITDA ⁽¹⁾	0.98	0.76
Net income - basic	0.32	0.45
Net income - diluted	0.31	0.45
Adjusted net income ⁽¹⁾	0.39	0.40
Income before income taxes	0.46	0.38
Dividends declared ⁽²⁾	0.33	-
Distributions declared ⁽³⁾	-	0.54
Cash flows		
Cash from operations	0.43	0.46
Funds from operations ⁽¹⁾	0.77	0.63
Shares outstanding - basic (millions)		
During the period ⁽⁴⁾	82.8	80.8
End-of-period	83.0	81.0

⁽¹⁾ Non-GAAP financial measure; see discussion in "Non-GAAP Financial Measures" section of this quarter's MD&A.⁽²⁾ Dividends declared of \$0.11 per common share per month commencing July 2010.⁽³⁾ Distributions declared of \$0.18 per trust unit and exchangeable unit per month for the first six months of 2010.⁽⁴⁾ Weighted-average.

Other Information

DEFINITIONS

Bbls/d	barrels per day
Bcf	billion cubic feet
GJ	gigajoule
GWh	gigawatt-hour
Mcf	thousand cubic feet
Mmcf/d	million cubic feet per day
MW	megawatt
MWh	megawatt-hour
PJ	petajoule

AltaGas is an energy infrastructure business with a focus on natural gas, power and regulated utilities. The Corporation creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on renewable 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.

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