

ALTAGAS ANNOUNCES NEW DIVIDEND REINVESTMENT PLAN

Calgary, Alberta (May 17, 2016)

AltaGas Ltd. ("AltaGas") (TSX:ALA) today announced that, further to the announcement made by AltaGas on April 20, 2016, it has implemented a Premium Dividend™, Dividend Reinvestment and Optional Common Share Purchase Plan (the "Plan") in replacement of its current Dividend Reinvestment Plan (the "Previous Plan").

The Plan provides eligible shareholders of AltaGas with the opportunity to, at their election, either:

- (i) have their common share dividends reinvested in additional common shares of AltaGas issued at a discount of between 0 and 5 percent to the Average Market Price (as defined in the Plan) on the applicable dividend payment date under the Dividend Reinvestment Component of the Plan; or
- (ii) have their common share dividends reinvested in additional common shares of AltaGas issued at a 3 percent discount to the Average Market Price on the applicable dividend payment date and have these additional common shares of AltaGas exchanged under the Premium Dividend™ Component of the Plan for a cash payment equal to 101 percent of the reinvested amount.

In addition, the Plan provides eligible shareholders who are enrolled in the Dividend Reinvestment Component of the Plan with the opportunity to purchase new common shares of AltaGas at the Average Market Price (with no discount) on the applicable dividend payment date under the Optional Cash Payment Component (the "OCP Component") of the Plan.

The Plan allows the Board of Directors of AltaGas to set the discount under the Dividend Reinvestment Component of the Plan at a rate between 0 and 5 percent to the Average Market Price. Until otherwise announced by AltaGas, the Board of Directors of AltaGas have set the discount rate under the Dividend Reinvestment Component of the Plan at 3 percent to the Average Market Price. This is a reduction of the discount under the Previous Plan from 5 percent to 3 percent. Canaccord Genuity Corp. will act as the Plan Broker for the Premium Dividend™ Component of the Plan.

Participation in the Plan is optional. Eligible shareholders may elect to participate in the Plan commencing with the dividend payable to shareholders of record on May 25, 2016, to be paid on June 15, 2016. A registered Eligible Shareholder who was enrolled in the Previous Plan will automatically be deemed to be a participant in the Dividend Reinvestment Component of the Plan, without any further action on their part. A beneficial owner of Shares (i.e., a holder of Shares that are not registered in the beneficial owner's name but are instead held through a broker, investment dealer, financial institution or other nominee) who was validly enrolled, through the nominee holder, in the Previous Plan should contact such nominee holder to confirm continued participation in the Dividend Reinvestment Component of the Plan.

In order to participate in the Dividend Reinvestment Component of the Plan, the Premium Dividend™ Component of the Plan or the OCP Component of the Plan, an Eligible Shareholder must enroll in the Plan directly or indirectly through the broker, investment dealer, financial institution or other nominee who holds Shares on the Eligible Shareholder's behalf. In addition, in order to purchase Shares pursuant to the OCP Component, an Eligible Shareholder must be also enrolled in the Dividend Reinvestment Component of the Plan.

Eligible shareholders who have not elected to participate in the Plan will continue to receive their regular cash dividend in the usual manner.

Unless otherwise announced by AltaGas, a shareholder who is a resident of the United States or is otherwise a "U.S. person" as that term is defined in Regulation S under the United States Securities Act of 1933, as amended, may not participate in any component of the Plan.

A complete copy of the Plan, together with a related series of Questions and Answers and the enrollment forms, are posted on AltaGas' website at www.altagas.ca. For enrollment by using the internet or to obtain a copy of the Enrollment Form, see the website Computershare Trust Company of Canada, the Plan Agent, at www.investorcentre.com. A copy of the Enrollment Form may also be obtained by calling the Plan Agent at 1-800-564-6253.

Shareholders should carefully read the complete text of the Plan before making any enrollment decisions.

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", "believe", "seek", "projection", "propose", "focus", "estimate", "target", "on track", "expect", and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. This news release contains forward-looking statements with respect to, among other things, expectations regarding the payment of dividends, the ability to reinvest dividends for additional common shares of AltaGas, the ability to exchange additional common shares of AltaGas for a cash payment, the ability to purchase additional common shares of AltaGas and other aspects of the intended operation of the Plan.

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 financial performance, changes in market competition, governmental or regulatory developments, changes in tax legislation, fluctuations in commodity prices, interest or foreign exchange rates, access to capital markets, general economic conditions, changes in laws and regulations and other factors set out in AltaGas' continuous disclosure documents, including the Annual Information Form and the MD&A as at and for the year ended December 31, 2015.

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 as well as the assumptions upon which they are based proving incorrect. 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, forecasted, expected, projected or targeted, 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.