

Heritage Gas Completes Expansion to Bedford, Nova Scotia

Halifax, Nova Scotia (October 19, 2010) – Heritage Gas Ltd. (Heritage Gas) today announced that it has completed its natural gas pipeline construction to Bedford, Nova Scotia. This is Heritage Gas' largest project to date, with up to 250 people at work during construction. Heritage Gas has invested approximately \$17 million in the project. The expansion adds 30km of new pipelines to the natural gas distribution system and provides the foundation for further expansion into growing communities over the next several years.

This infrastructure project allows Heritage Gas to provide natural gas to customers in Fairview, Clayton Park, Bayer's Lake and Bedford. Heritage Gas is now supplying natural gas to Mount Saint Vincent University, the Canada Games aquatic facility in Clayton Park, and the new Halifax Regional Municipality arena and recreational facility in Bedford, and plans to connect many other commercial and residential customers in these growing areas.

"We wish to thank the residents, commuters, motorists, cyclists, and pedestrians for their patience and understanding throughout this construction period", said Michel Sarrouy, Vice President, Engineering and Construction, Heritage Gas.

Natural gas is a cleaner energy solution that also delivers significant cost savings in comparison to other alternatives. To enjoy the benefits of natural gas interested potential customers may contact Heritage Gas at 1-877-836-7427 or www.heritagegas.com.

Heritage Gas Limited is a Nova Scotia-based company formed for the purpose of operating a full regulation class natural gas distribution franchise in Nova Scotia. Heritage Gas has over 2,700 customers in Halifax, Dartmouth, Amherst and the Halifax Airport area. Heritage Gas is owned by AltaGas Utility Group Inc., an indirect wholly-owned subsidiary of AltaGas Ltd.

AltaGas Ltd. (AltaGas) (TSX: ALA) is one of Canada's largest and fastest growing energy infrastructure organizations. AltaGas creates value by acquiring, growing and optimizing gas and power 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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