



NEWS RELEASE

ALTAGAS REPORTS STRONG THIRD QUARTER RESULTS

Calgary, Alberta (October 31, 2013) – AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) today reported strong third quarter earnings, doubling its normalized net income applicable to common shares to \$24.7 million (\$0.21 per share), compared to \$12.3 million (\$0.13 per share) for the same period 2012. Net income applicable to common shares was \$43.3 million (\$0.36 per share) for the three months ended September 30, 2013, compared to \$8.0 million (\$0.08 per share) for the same period 2012.

Normalized EBITDA increased 61 percent to \$103.5 million for third quarter 2013 compared to \$64.4 million in third quarter 2012. Normalized funds from operations increased to \$80.2 million (\$0.68 per share) for third quarter 2013 compared to \$53.3 million (\$0.56 per share) for third quarter 2012.

In August 2012 AltaGas completed the SEMCO acquisition, the largest in its history. This quarter marked the first full year of ownership of SEMCO. As a result, AltaGas reported record earnings on a trailing twelve month basis. Normalized net income applicable to common shares was a record \$162.6 million (\$1.47 per share) and normalized EBITDA and funds from operation were \$485 million and \$398 million respectively.

"Our third quarter results reflect the strength of our operations and the positive contributions from the growth on which we have executed," said David Cornhill, Chairman and CEO of AltaGas. "On a trailing twelve month basis we have hit record financial results and we are quickly approaching a half billion in EBITDA. We expect these positive trends to continue as we execute on further opportunities to strategically grow each of our business segments."

Normalized operating income from the business segments increased 58 percent to \$71.4 million compared to \$45.1 million in third quarter 2012. Each of AltaGas' business segments performed extremely well in the quarter:

- The Gas segment significantly increased the natural gas volumes processed compared to the same period in 2012. Extraction volumes continue to ramp up in liquids rich areas with increased processing capacity and producer activity over the past 12 months. The Gas segment increased NGL production to 22,383 Bbls/d up from 14,307 Bbls/d in third quarter 2012.
- The Power segment generated more power in the quarter, primarily as a result of the additional 507 MW Blythe power plant acquired in May 2013 and due to other power assets added in 2012. AltaGas also realized higher power prices in Alberta.
- The Utilities segment delivered another strong quarter. AltaGas continued to see increased results driven by a full quarter of earnings from SEMCO compared to only one month in third quarter 2012 and rate base growth at its Canadian utilities. On a trailing twelve month basis results from SEMCO have been ahead of expectations, reporting \$137.8 million in EBITDA for the full twelve month period ending September 30, 2013.

Net income applicable to common shares for the three months ended September 30, 2013 included the after-tax gain of \$32.8 million related to the sale of Pacific Northern Gas Ltd.'s (PNG) investment in the Pacific Trail Pipelines Limited Partnership. This gain was partially offset by a provision taken for certain non-core dry gas processing facilities and utilities assets that are expected to be sold. AltaGas is currently in discussions for the sale of some of these non-core assets.

Normalized net income for the nine months ended September 30, 2013 increased 84 percent to \$115.9 million, compared to \$62.9 million for the same period 2012. Normalized net income per share increased 48 percent to \$1.02 per share, up from \$0.69 per share for the first nine months of 2012.

For the nine months ended September 30, 2013, normalized EBITDA increased 71 percent to \$355.6 million compared to \$207.6 million for the same period 2012. Normalized funds from operations for the nine months ended September 30, 2013, increased 69 percent to \$285.6 million (\$2.50 per share) compared to \$169.0 million (\$1.84 per share) for the same period 2012.

In the quarter, AltaGas also significantly advanced its projects under construction and its energy export initiatives.

Northwest Run-of-river Projects:

AltaGas continues to make solid progress on its Northwest run-of-river projects. At the 195 MW Forrest Kerr project, the generator assembly is ongoing and the nine turbine centrelines are assembled, aligned and grouted into position. Overall, the project is over 90 percent complete and remains on track to be mechanically complete by the end of 2013. Forrest Kerr is expected to be in-service in mid-2014, contingent on the availability of the Northwest Transmission Line.

At the 16 MW Volcano Creek project, excavation of the intake site and diversion have been completed and the weir is scheduled to be installed within the next 90 days. The powerhouse building structural steel has been erected and the powerhouse crane has been lifted into place. The building is scheduled for completion in November. The penstock excavation is ongoing and is on track to be completed in first quarter 2014. The project is expected to be in service in 2014 contingent on the availability of the Northwest Transmission Line.

At the 66 MW McLymont Creek project, construction of the 7 kilometre intake access road is 85 percent complete and is expected to be completed within the next 90 days. Excavation of the McLymont power portal has been completed and approximately 30 percent of the 2,800 metre power tunnel has been excavated. Excavation of the powerhouse foundation is expected to commence in fourth quarter 2013 and the project is expected to be in service in mid-2015.

Energy Exports:

On August 1, 2013 AltaGas announced that PNG had entered into Transportation Reservation Agreements (TRA) with both Douglas Channel Gas Services Ltd. and the AltaGas Idemitsu Joint Venture Limited Partnership (Partnership) for 520 Mmcf/d of natural gas transportation capacity on the proposed PNG pipeline expansion. The PNG expansion is expected to increase capacity of the PNG system to approximately 750 Mmcf/d from its current capacity of 115 Mmcf/d. PNG continues to work with other potential shippers for the remaining capacity. The TRAs support the development costs of the pipeline expansion. The PNG expansion is a significant milestone in exporting Canadian natural gas from Canada's west coast to Asian markets.

In advancing its liquefied natural gas export (LNG) initiative, the Partnership filed an application on October 29, 2013 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. The Partnership is also preparing preliminary engineering designs for the construction of the liquefaction facilities and is in negotiations for potential site locations. Subject to consultations with First Nations, and the completion of the feasibility study, permitting, regulatory approvals and facility construction, the proposed LNG exports could begin as early as 2017.

In the quarter, AltaGas also advanced its liquefied petroleum gas (LPG) export project. On September 12, 2013, AltaGas entered into an agreement to acquire a 25 percent interest in Petrogas Energy Corp. (Petrogas), a privately held leading North American integrated midstream company. The acquisition closed on October 1, 2013.

On October 24, 2013, AltaGas announced it will increase its effective ownership of Petrogas to 33 1/3 percent. AltaGas plans to transfer its current 25 percent ownership to the Partnership. The Partnership will acquire an additional 41 2/3 percent interest in Petrogas. As a result of the transaction, Petrogas will be owned one-third by each of AltaGas, Idemitsu Kosan Co., Ltd., and its current shareholder. Petrogas provides the key infrastructure as well as supply logistics and marketing expertise required to pursue LPG exports. The acquisition is expected to be accretive to AltaGas' earnings per share by approximately \$0.10 in 2015. The acquisition is subject to customary regulatory approvals, including the Competition Act, the Hart Scott Rodino Antitrust Improvement Act of 1976, and the Investment Canada Act, and is expected to close in the first quarter 2014.

"We continue to take significant steps to build the expertise and infrastructure required to execute on our energy export business," said Mr. Cornhill. "With the only natural gas pipeline in Northern BC that reaches the west coast and the advances we've made, we continue to lead the way in getting Canadian natural gas to export markets."

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board approved a dividend of \$0.1275 per common share for the November 2013 dividend. The dividend will be paid on December 16, 2013, to common shareholders of record on November 25, 2013. The ex-dividend date is November 23, 2013. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board approved a dividend of \$0.3125 per share for the period commencing October 1, 2013, and ending December 30, 2013, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on December 31, 2013 to shareholders of record on December 16, 2013. The ex-dividend date is December 12, 2013; and
- The Board also approved a dividend of US\$0.275 per share for the period commencing October 1, 2013, and ending December 30, 2013, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on December 31, 2013, to shareholders of record on December 16, 2013. The ex-dividend date is December 12, 2013.

CONSOLIDATED FINANCIAL REVIEW

<i>(unaudited)</i> <i>(\$ millions)</i>	Three months ended September 30		Nine months ended September 30	
	2013	2012	2013	2012
Revenue	389.7	290.0	1,461.8	923.9
Net revenue ⁽¹⁾	246.6	146.2	695.6	456.8
Normalized operating income ⁽¹⁾	63.5	38.5	240.7	138.3
Normalized EBITDA ⁽¹⁾	103.5	64.4	355.6	207.6
Net income applicable to common shares	43.3	8.0	128.2	75.1
Normalized net income ⁽¹⁾	24.7	12.3	115.9	62.9
Total assets	6,720.7	5,708.3	6,720.7	5,708.3
Total long-term liabilities	3,368.0	3,246.1	3,368.0	3,246.1
Net additions to property, plant and equipment	85.6	1,041.8	921.2	1,365.6
Dividends declared ⁽²⁾	45.1	33.4	126.9	95.4
Cash flows				
Normalized funds from operations ⁽¹⁾	80.2	53.3	285.6	169.0
<i>(\$ per share, except shares outstanding)</i>	Three months ended September 30		Nine months ended September 30	
	2013	2012	2013	2012
Normalized EBITDA ⁽¹⁾	0.87	0.68	3.12	2.27
Net income - basic	0.36	0.08	1.12	0.82
Net income - diluted	0.35	0.08	1.09	0.81
Normalized net income ⁽¹⁾	0.21	0.13	1.02	0.69
Dividends declared ⁽²⁾	0.38	0.35	1.11	1.04
Cash flows				
Normalized funds from operations ⁽¹⁾	0.68	0.56	2.50	1.84
Shares outstanding - basic (millions)				
During the period ⁽³⁾	118.7	95.3	114.1	91.6
End of period	118.9	104.7	118.9	104.7

⁽¹⁾ Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of the third quarter 2013 MD&A.

⁽²⁾ Dividends declared of \$0.115 per common share per month on October 27, 2011, \$0.12 on September 10, 2012, \$0.125 on April 24, 2013 and \$0.1275 on July 31, 2013.

⁽³⁾ Weighted average.

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 third quarter 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 November 7, 2013.

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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