

## ALTAGAS ADVANCES ITS MIDSTREAM STRATEGY

Calgary, Alberta (January 23, 2017)

AltaGas Ltd. (“AltaGas”) (TSX:ALA) announced today that it entered into a non-binding Letter of Intent (“LOI”) on January 20, 2017 with a significant Montney producer to construct a 120 Mmcf/d deep-cut natural gas processing facility and a natural gas liquids (“NGL”) separation train, capable of processing up to 10,000 Bbls/d of NGL mix, and rail terminal (the “Facilities”). The Facilities, which are to be located in another area of the Montney separate from AltaGas’ current operations, are expected to have access to the CN rail network allowing for the transportation of propane to the Ridley Island Propane Export Terminal which AltaGas declared a positive Final Investment Decision on earlier this year. Under the terms of the LOI, it is contemplated that the deep-cut processing facility will be jointly owned, while the NGL separation train and rail terminal will be fully owned by AltaGas. The deep-cut processing facility is expected to cost approximately \$100 - \$110 million while the NGL separation train and rail terminal are expected to cost approximately \$60 - \$70 million. It is expected that the Facilities will be underpinned with long-term take-or-pay and dedication commercial agreements. Completion of the project is subject to, among other things, negotiation and execution of definitive agreements, which AltaGas targets to have signed within the first quarter of 2017. Subject to regulatory approvals, the Facilities are expected to be on-line in early 2019.

“We look forward to working closely with a new customer and are excited to bring significant new development to yet another area of the Montney,” said David Harris, President and CEO of AltaGas. “This development broadens our customer base and drives continued growth for our midstream business, including our energy export strategy.”

AltaGas is an energy infrastructure company 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](http://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”, “can”, “will”, “be”, “intend”, “possible”, “plan”, “develop”, “anticipate”, “target”, “believe”, “seek”, “propose”, “continue”, “estimate”, “expect”, and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. More particularly, and without limitation, this news release contains forward-looking statements with respect to the design specifications, location and capacity of the Facilities, AltaGas’ expectation that the Facilities will have access to the CN rail network allowing for the transportation of propane to the Ridley Island Propane Export Terminal, AltaGas’ expectation regarding development of the Ridley Island Propane Export Terminal, capital expenditures in respect of the proposed Facilities, AltaGas’ expectations regarding the LOI including negotiation and execution of definitive agreements on terms satisfactory to AltaGas and execution of such agreements in the first quarter of 2017, receipt of required regulatory approvals for construction and operation of the Facilities, AltaGas’ expectation that the Facilities will be on-line in early 2019, ability of the Facilities to broaden AltaGas’ customer base and expectation that the Facilities will drive continued growth for AltaGas’ midstream and energy export strategies. 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.*