



NEWS RELEASE



ALTAGAS AND TAHLTAN NATION SIGN MCLYMONT CREEK AND VOLCANO CREEK IMPACT BENEFIT AGREEMENTS

Calgary, Alberta (September 28, 2011) -- AltaGas Ltd. (AltaGas) (TSX: ALA) and the Tahltan Central Council today announced that they have signed two Impact Benefit Agreements (IBAs), one for the McLymont Creek run-of-river hydroelectric project and the other for the Volcano Creek run-of-river hydroelectric project.

"The IBAs establish a formal partnership between AltaGas and the Tahltan Nation and enable us to continue to develop our projects in collaboration with the Tahltan community," said David Cornhill, Chairman and Chief Executive Officer of AltaGas.

"This is an exciting day for our people and our Nation that will shape the future of development in our territory. Today's signing of the IBAs launches a partnership between the Tahltan Nation and AltaGas. We look forward to strengthening our relationship with AltaGas as we work together in the development of these projects, ensuring our Nation, people and businesses receive financial benefits, including revenue sharing, jobs and contract opportunities, while also minimizing the environmental impacts and protecting our culture and way of life," said Annita McPhee, President of the Tahltan Central Council.

The projects are located near AltaGas' 195-MW Forrest Kerr project, currently under construction, approximately 1,000 km north of Vancouver, BC. AltaGas expects the Forrest Kerr project to come into service in 2014, followed by McLymont Creek in 2015 and Volcano Creek in 2016. Collectively the projects are known as the Northwest Projects.

The Northwest Projects are to be constructed solely within Tahltan Nation traditional territory and are expected to cost approximately \$1 billion. Once completed, the projects will provide enough electricity for approximately 95,000 homes in British Columbia and will offset more than 780,000 tonnes of greenhouse gas equivalents annually. The projects will deliver electricity to the terminus point of the previously announced 287-kV Northwest Transmission Line (NTL), near Bob Quinn, BC, being constructed by BC Hydro.

The Tahltan Nation includes on and off-reserve Tahltans living in Telegraph Creek, Dease Lake and Iskut, and more than 3,000 people living across the country. Tahltan traditional territory encompasses 11 percent of British Columbia. More than 50 percent of all mineral exploration and mine development in the province takes place in Tahltan traditional territory. For more information about the Tahltan Central Council, visit www.tahltan.org.

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 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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