



NEWS RELEASE

AltaGas Secures Supply Agreement with Encana to Construct Natural Gas Processing Facility in Montney Resource Area

Calgary, Alberta (November 4, 2010) – AltaGas Ltd. ("AltaGas") (TSX: ALA) today announced it will be constructing a 120 Mmcf/d gas processing facility and an associated gas gathering system in the Gordondale area of the Montney resource play, approximately 100 km NW of Grande Prairie, Alberta. The plant will be equipped with liquids extraction facilities to capture the natural gas liquids value for our customers.

"The Gordondale gas processing facility is an exceptional gas infrastructure project located in an area of strong natural gas supply growth that will provide long-term, stable cash flows," said David Cornhill, Chairman and CEO of AltaGas. "The project is consistent with our strategy to optimize our existing base business and to partner with leading North American natural gas producers."

The Gordondale gas processing facility and gathering system will cost approximately \$235 million. The gas processing facility is expected in-service in late 2012. By using existing infrastructure in the area, AltaGas anticipates providing processing for early production by mid 2011. The project is subject to regulatory approval.

AltaGas has secured a long term, gathering and processing agreement with Encana Corporation to supply natural gas to the new Gordondale processing facility.

"The continued strength of natural gas liquids prices offers Encana opportunities to capture additional value and enhance project returns by stripping the propane, butane and ethane from the extensive liquids-rich production in our deep basin resource plays," said Mike Graham, Encana's Executive Vice-President and President, Canadian Division.

The plant is located in the Montney resource area, one of the largest, low cost, liquid rich resource plays in the Western Canadian Sedimentary Basin. This plant will allow AltaGas to provide a midstream solution to a number of producers in the area. The addition of deep cut facilities to the project allows producers to extract additional value for liquids from the gas they bring to the plant for processing. The natural gas liquids extraction facilities also allow AltaGas to expand its service offering to market liquids for customers, and to purchase gas at the plant gate and extract the value of the liquids.

Encana is a leading North American natural gas producer that is focused on growing its strong portfolio of prolific shale and other unconventional natural gas developments, called resource plays, in key basins from northeast British Columbia to east Texas and Louisiana. A pure-play natural gas company, Encana applies advanced technology and operational innovation to reduce costs and maximize margins. By partnering with employees, community organizations and other businesses, Encana contributes to the strength and sustainability of the communities where it operates. Encana common shares trade on the Toronto and New York stock exchanges under the symbol ECA.

AltaGas 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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