

ALTAGAS LTD. ANNOUNCES \$2.5 BILLION SUBSCRIPTION RECEIPT OFFERING COMPRISED OF \$2.1 BILLION BOUGHT DEAL AND \$400 MILLION PRIVATE PLACEMENT

Calgary, Alberta (January 25, 2017)

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AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that it has entered into an agreement with a syndicate of underwriters led by TD Securities Inc., RBC Capital Markets and J.P. Morgan Securities Canada Inc. to issue 67,800,000 subscription receipts (the "Subscription Receipts"), on a bought deal basis, at an issue price of \$31.00 per Subscription Receipt (the "Offering Price"), for total gross proceeds of approximately \$2.1 billion (the "Public Offering"). Additionally, AltaGas has agreed to issue, by way of a private placement (the "Private Placement") to OMERS, the pension plan for Ontario's municipal employees, 12,910,000 Subscription Receipts at a price of \$31.00 per Subscription Receipt for aggregate gross proceeds of approximately \$400 million. TD Securities Inc., RBC Capital Markets and J.P. Morgan Securities Canada Inc. are acting as joint bookrunning agents on the Private Placement.

The net proceeds from the Public Offering and the Private Placement (together, the "Offerings") will be used to partially finance the previously announced \$8.4 billion acquisition of WGL Holdings, Inc. ("WGL") (NYSE: WGL) (the "Acquisition"). WGL is the sole shareholder of Washington Gas Light Company, a regulated natural gas utility company headquartered in Washington, D.C. WGL also owns non-regulated power, midstream and energy marketing businesses in the United States, with a growing strategic footprint in the Marcellus/Utica gas formation.

AltaGas has granted the underwriters of the Public Offering an over-allotment option to purchase, in whole or part, up to an additional 10,170,000 Subscription Receipts at the Offering Price to cover over-allotments, if any, for a period of 30 days following the closing of the Offering. If the over-allotment option is exercised in full, gross proceeds from the Offerings will be approximately \$2.8 billion.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action, upon closing of the Acquisition, one common share of AltaGas ("Common Share").

In addition, while the Subscription Receipts remain outstanding, holders will be entitled to receive cash payments ("Dividend Equivalent Payments") per Subscription Receipt that are equal to dividends declared by AltaGas on each Common Share. Such Dividend Equivalent Payments will have the same record date as the related Common Share dividend and will be paid to holders of Subscription Receipts concurrently with the payment date of each such dividend. Dividend Equivalent Payments will be paid first out of any interest on the Escrowed Funds (defined below) and then out of the Escrowed Funds.

The proceeds from the sale of the Subscription Receipts (the "Escrowed Funds") will be held in escrow by Computershare Trust Company of Canada, as escrow agent (the "Escrow Agent") and invested in interest-bearing

deposits with banks and other financial institutions with issuer credit ratings with Standard & Poor's Ratings Services of at least A (as contemplated by, or specified in, the escrow agreement) or other approved investments as set forth in the escrow agreement, provided that Dividend Equivalent Payments may be made from the Escrowed Funds and the interest credited or received thereon from time to time, as described above.

The Acquisition is expected to close by the end of the second quarter of 2018, and is subject to WGL common shareholder approval and certain regulatory and government approvals, including approval by the public utility commissions of Maryland, Virginia and Washington, D.C., the Federal Energy Regulatory Commission, the Committee on Foreign Investment in the United States, and expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the satisfaction of customary closing conditions.

Once notice has been delivered to the Escrow Agent that the parties to the Acquisition are able to complete the Acquisition in all material respects in accordance with the terms of the merger agreement, but for payment of the purchase price, and AltaGas has available to it all other funds required to complete the Acquisition, the Escrowed Funds, less any amounts required to satisfy payment of unpaid Dividend Equivalent Payments, will be released to or as directed by AltaGas up to six business days prior to the closing of the Acquisition. In the event such notice has not been delivered prior to September 4, 2018 or if the Acquisition is terminated prior to such time, or AltaGas advises the underwriters or discloses to the public that it does not intend to proceed with the Acquisition, then the Escrow Agent and AltaGas will return to each holder of Subscription Receipts an amount equal to the aggregate issue price of such holder's Subscription Receipts, plus any unpaid Dividend Equivalent Payments owing to such holders of Subscription Receipts (the "Termination Payment"). The Termination Payment will be made from the balance of the Escrowed Funds at the Termination Time, including from any remaining interest on the Escrowed Funds. If the balance of the Escrowed Funds, together with any such interest, is insufficient to cover the full amount of the Termination Payment, AltaGas will pay to the holders of Subscription Receipts any difference.

The Public Offering will be offered in all provinces of Canada by way of a supplement to AltaGas' base shelf prospectus dated August 10, 2015. The Offerings are subject to the receipt of stock exchange approval. Closing of the Offerings is anticipated to occur on or about February 3, 2017. The closing of the Public Offering is subject to the concurrent closing of the Private Placement.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the Public Offering has been qualified for distribution. Neither Subscription Receipts offered nor the underlying Common Shares are and will not be, registered under the securities laws of the United States of America, nor any State thereof, and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

All references to dollar amounts contained herein are to Canadian dollars unless otherwise indicated.

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 clean energy sources. For more information visit: 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”, “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, the closing of the Offering, the use of proceeds of the Offerings, the proposed acquisition of WGL, including the expected timing, terms and benefits thereof, the payment of Dividend Equivalent Payments, the release of the proceeds of the Offerings from escrow and the conversion of Subscription Receipts to Common Shares, business objectives, expected growth, and business projects and opportunities. 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, that the timing for satisfying all conditions to closing of the Acquisition will proceed as expected and that the Offerings will close on the terms and at the times described herein, as well as AltaGas' views with respect to 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.