

ALTAGAS LTD. ANNOUNCES SALE OF NON-CORE GAS ASSETS

Calgary, Alberta (February 2, 2016)

AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that its wholly owned subsidiaries, AltaGas Processing Partnership and AltaGas Holdings Inc., have entered into an agreement with Tidewater Midstream and Infrastructure Ltd. ("Tidewater") to sell AltaGas Northcentral Processing Limited Partnership, a limited partnership containing certain non-core natural gas gathering and processing assets (the "Tidewater Disposition"). Total consideration to be received by AltaGas is \$30 million cash and 43.7 million common shares of Tidewater. The assets being sold to Tidewater pursuant to the Tidewater Disposition are located primarily in central and north-central Alberta, total approximately 490 Mmcf/d of gross licensed natural gas processing capacity, and represent less than two percent of AltaGas' EBITDA for 2016. Subject to the satisfaction or waiver of conditions typical for a transaction of this nature, the Tidewater Disposition is expected to close in the first quarter of 2016.

"The sale of these assets aligns with AltaGas' strategy to focus on operating and optimizing our larger plants and developing larger scale opportunities as part of our northeast British Columbia strategy," said David Cornhill, Chairman and CEO of AltaGas. "Moving forward, AltaGas and Tidewater have agreed to work together to identify additional opportunities that could enhance value for each company's respective producer customers and shareholders."

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, terms of, consideration to be received pursuant to, and the closing date for completion of, the Tidewater Disposition, the intentions of Tidewater and AltaGas with respect to additional opportunities and the development of opportunities in northeast British Columbia. 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.