

## ALTAGAS LTD. PROVIDES UPDATE ON MAJOR PROJECTS

**Calgary, Alberta (December 10, 2012)**

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) today announced that the Gordondale Gas Plant (Gordondale) and the Harmattan Co-stream project (Co-stream Project) have met commercial in-service requirements. In 2012 AltaGas has added over 420 Mmcf/d of processing capability.

The Gordondale plant is one of the largest sour gas plants built in Alberta in the last 15 years and was constructed in record time to meet producers' requirements in the area. The 120 Mmcf/d facility successfully commenced processing gas at the end of October slightly ahead of schedule and is currently earning revenue under a long-term take-or-pay contract. The plant is located in the Montney resource area, one of the largest low-cost, liquids-rich resource plays in the Western Canadian Sedimentary Basin. Given the deep cut capability and strategic location of the plant, AltaGas expects utilization of the plant to increase over the coming months.

The Co-stream Project uses 250 Mmcf/d of existing spare capacity at the Harmattan Complex and went into commercial operation at the end of November. AltaGas is currently receiving revenue under a 20-year cost-of-service contract with NOVA Chemicals Corporation. The Co-stream Project recovers ethane and other NGLs from natural gas sourced in the NOVA Gas Transmission Ltd. (NGTL) Western System. AltaGas is currently processing 300 to 350 Mmcf/d or approximately 65 percent of plant capacity.

"We are pleased to announce that these new gas projects are contributing to our earnings and cash flow growth and look forward to continuing to work with producers to provide midstream solutions in key areas such as the liquids-rich Montney," said David Cornhill, Chairman and CEO of AltaGas. "We have added over 420 Mmcf/d of processing capability this year and these projects demonstrate our ability to build and operate gas infrastructure assets in a very challenging construction environment."

AltaGas also announced today that its wholly owned subsidiary Pacific Northern Gas Ltd. (PNG) is carrying out feasibility studies for further expansion of its pipeline system to approximately 600 MMcf/d. The PNG natural gas distribution system is the only natural gas pipeline from the producing regions in Alberta and BC to the west coast of Canada in service today.

Progress on the NW hydro projects remains ahead of schedule and on budget. Construction of the 195 MW Forrest Kerr run-of-river project is approximately 70 percent complete. The in-river construction commenced in mid-November and the sluiceway

diverting the river is now in operation. AltaGas received the water licences for the McLymont Creek and Volcano Creek projects on November 28 and December 3 respectively.

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](http://www.altagas.ca).

Investment Community  
1-877-691-7199  
[investor.relations@altagas.ca](mailto:investor.relations@altagas.ca)

Media  
(403) 691-9873  
[media.relations@altagas.ca](mailto:media.relations@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.