



## NEWS RELEASE

### ALTAGAS RECEIVES REGULATORY APPROVAL OF ITS HARMATTAN CO-STREAM PROJECT

**Calgary, Alberta (December 8, 2010)** – AltaGas Ltd. ("AltaGas") (TSX: ALA) today announced that it has received approval from the Alberta Energy Resources Conservation Board (ERCB) on its Harmattan Co-stream Project.

"We're pleased with the ERCB's decision. The Harmattan Co-stream Project promotes responsible competition by creating a competitive option for shippers," said David Cornhill, Chairman and CEO of AltaGas Ltd.

AltaGas entered into a Memorandum of Understanding (MOU) with Nova Chemicals Corporation (NOVA Chemicals) in 2009. The MOU provides that the definitive agreements would be for an initial term of 20 years and would have AltaGas deliver all liquids or co-stream gas products on a full cost-of-service basis to NOVA Chemicals. The agreement provides that all capital expenditures and operating costs related to the proposed project will be fully recovered through fees under normal operations.

The Co-stream Project will allow 250 million cubic feet per day (Mmcf/d) of rich, sweet natural gas sourced from the NGTL Western Alberta System to be processed using spare capacity at the Harmattan Complex to recover ethane and NGLs. It will expand the availability of valuable feedstock for Alberta's petrochemical industry and retain extraction revenues and value in Alberta in an economical manner.

The current throughput at the Harmattan Complex is approximately 150 Mmcf/d, or 30 percent of the licensed plant capacity. The Co-stream Project involves constructing and operating two new large-diameter high-pressure sweet natural gas pipelines and one small-diameter high vapour pressure product pipeline, as well as modifying existing equipment for processing gas at the Complex. Construction of the project will take approximately 14 months to complete. The project is expected to begin contributing to operating income in early 2012. The capital cost estimate for the Co-stream Project is \$100 to \$120 million.

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](http://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

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