

ALTAGAS ANNOUNCES AMENDMENT TO TRANSPORTATION SERVICES AGREEMENT AND FEASIBILITY STUDY TO EXPAND ITS PNG WESTERN B.C. SYSTEM

Calgary, AB (July 9, 2012)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.R) (TSX:ALA.PR.U) announced today that its wholly owned subsidiary, Pacific Northern Gas Ltd. ("PNG"), and LNG Partners, LLC ("LNGP") have amended their agreement for 80 MMcf per day of firm gas transportation service on PNG's Western B.C. system. The amendments include a six month extension to LNGP's exclusive option on the 80 MMcf per day of firm capacity available on PNG's western transmission system and the lengthening of the term of the Transportation Service Agreement to 30 years. The start date for the service is to be on or before March 31, 2015 if the option is exercised.

"We are pleased to provide the opportunity for LNGP to transport its natural gas to its liquefied natural gas export facilities in the Kitimat area", said David Cornhill, Chairman and CEO of AltaGas. "AltaGas continues to use its strategically located assets to contribute to the development of Northwest B.C. and benefit our utility customers while enhancing shareholder value".

LNGP paid PNG an additional \$1.0 million non-refundable fee to extend the option which must be exercised on or before December 31, 2012. This payment is the sixth extension of the option with PNG collecting \$7.5 million since first entering into the agreement in 2009. These fees have been credited to PNG's customers resulting in lower rates. Further customer benefits will be realized if LNGP exercises its option as the PNG pipeline system becomes fully utilized and generates up to \$15 million per year of revenues under the agreement.

PNG and LNGP also executed an agreement under which LNGP will fund the cost of a feasibility study for expansion of PNG's western transmission system to provide an additional 170 to 195 MMcf per day of firm capacity for LNGP. BC LNG Export Co-Operative LLC, an affiliate of LNGP, has a licence from the National Energy Board which allows export of 250 MMcf per day of liquefied natural gas and LNGP plans to expand the capacity of its proposed LNG facility. PNG is in the planning stages of the feasibility study and will be consulting with First Nations, nearby communities and other stakeholders during the study.

Headquartered in Vancouver, British Columbia, Pacific Northern Gas Ltd. is a wholly owned subsidiary of AltaGas Ltd. PNG owns and operates natural gas transmission and

distribution systems including a transmission line that extends from a gas transmission system north of Prince George to tidewater at Kitimat and Prince Rupert, and provides service to 12 communities and a number of industrial facilities. In the northeast, PNG's subsidiary Pacific Northern Gas (N.E.) Ltd. provides gas distribution service in the Dawson Creek, Fort St. John and Tumbler Ridge areas.

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 and www.png.ca.

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