

ALTAGAS GROWS RENEWABLE ENERGY PRESENCE IN UNITED STATES

Calgary, Alberta (January 26, 2012)

AltaGas Ltd. (“AltaGas” or the “Corporation”) (TSX: ALA) today announced that it has added to its renewable energy initiatives in the United States with the purchase of Decker Energy International, Inc. (“DEI”), and a 50 percent interest in Black Hills Energy’s Busch Ranch Wind Farm Project (“Busch Ranch Project”) in southern Colorado. Black Hills Energy is a subsidiary of Black Hills Corp. (NYSE: BKH).

The two acquisitions will add approximately 35 MW of operating biomass and 14.5 MW of wind under construction to AltaGas’ renewable energy portfolio. “These acquisitions provide AltaGas with an opportunity to enter the U.S. green energy market with fully contracted assets,” said David Cornhill, Chairman and CEO of AltaGas. “DEI’s assets and the Busch Ranch Project, which is expected to be operational by the end of 2012, provide us with operating assets in the U.S. energy market, and ensure sustainable returns for shareholders. These assets are expected to add approximately \$6 million to EBITDA on an annualized basis.”

DEI is an independent power company whose primary assets are a 30 percent working interest in the 37 MW Grayling Generating Station in Michigan – a wood biomass power facility, and a 50 percent working interest in the 48 MW Craven County wood biomass power facility in North Carolina. “DEI adds diversity to AltaGas’ renewable energy portfolio,” said Cornhill. “These assets are fully contracted with long-term power purchase agreements consistent with our corporate strategy of holding low-risk, long-life energy assets underpinned by contracts with strong counterparties.” Fuel supply for the biomass facilities include wood chips, mill residuals and other wood waste products from several suppliers.

Black Hills/Colorado Electric Utility Company LP (“Black Hills Energy”) received approval from the Colorado Public Utilities Commission to construct a 29 MW wind farm in Huerfano County, just south of Pueblo, Colorado. The project is planned for completion in late 2012 and has a 25-year power purchase agreement with the local utility, Black Hills Energy.

Under the arrangement, AltaGas has no construction risk. The wind farm has abundant wind resources and is in close proximity to an existing transmission system that serves the 94,000 customers of Black Hills Energy in southern Colorado.

In addition to the renewable projects, AltaGas also announced the acquisition of 25 MW of gas-fired peaking generation in southern Alberta from Maxim Power Corp. AltaGas has had the rights to this capacity through a capital lease arrangement since 2004 and has operated the facilities since 2007. By owning instead of leasing these assets, AltaGas expects to realize a modest increase to its EBITDA contribution.

The DEI, Black Hills, and Maxim acquisitions total approximately \$70 million and further strengthen AltaGas' power generation portfolio, establish AltaGas as an emerging leader in renewable energy development, and position AltaGas for growth in the U.S. energy market.

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

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