



NEWS RELEASE

ALTAGAS REPORTS RECORD EARNINGS IN FIRST QUARTER AND INCREASES DIVIDEND 16 PERCENT

Calgary, Alberta (May 1, 2014)

First Quarter 2014 Highlights

- Record normalized earnings of \$73.7 million, a 33 percent increase compared to first quarter 2013;
- 23 percent increase to \$179.2 million in normalized EBITDA, compared to first quarter 2013;
- Normalized funds from operations of \$129.8 million, compared to \$122.4 million in first quarter 2013;
- Forrest Kerr nears completion with the commencement of waterflow on April 28; and
- Increased dividend by \$0.02 per share per month for an annual dividend of \$1.77 per share.

AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) (TSX:ALA.PR.E) today reported record first quarter normalized earnings of \$73.7 million (\$0.60 per share), compared to \$55.5 million (\$0.53 per share) in the same period 2013. Normalized EBITDA increased 23 percent to \$179.2 million for the first quarter 2014, compared to \$145.9 million for the same period 2013. Normalized funds from operations was \$129.8 million (\$1.06 per share) for the three months ended March 31, 2014, compared to \$122.4 million (\$1.16 per share) for the same period 2013.

"We are pleased to report a record quarter with strong asset performance across all our business segments," said David Cornhill, Chairman and CEO of AltaGas. "The stronger results were driven mainly by the energy infrastructure assets we added over the past two years and there is more to come. The Board and management remain committed to delivering shareholder value as we continue to execute on our five-year, \$2.5 billion growth plans."

Increased earnings in the first quarter were driven by higher natural gas volumes processed, the partial ownership of Petrogas, the addition of Blythe, colder weather in Michigan, Alberta and Nova Scotia, and favorable exchange rates. Results in the quarter were partially offset by lower earnings from Power in Alberta and higher costs in Gas related to natural gas storage and extraction premiums. In addition, the Blythe facility was on major turnaround during the month of March.

On a GAAP basis, net income applicable to common shares was \$39.9 million (\$0.33 per share) for the three months ended March 31, 2014, compared to \$49.0 million (\$0.46 per share) for the same period 2013. Net income applicable to common shares includes an after-tax gain of \$9.0 million from the sale of assets, offset by a non-cash after-tax provision of \$28.7 million related to assets from the acquisition of Taylor NGL Limited Partnership in 2008, a non-cash after-tax provision of \$8.1 million related to a number of small hydro power assets under development that are in a sales process, mark-to-market accounting and the cost of early redemption of medium-term notes.

In the first quarter, AltaGas continued to make progress on its five-year \$2.5 billion growth program. AltaGas sanctioned the Alton natural gas storage project in Nova Scotia and the regional liquefied natural gas (LNG) project in Dawson Creek, B.C., for approximately \$125 million. This brings total secured growth capital to over \$1 billion.

Northwest Run-of-river Projects

AltaGas continues to make solid progress on its three Northwest run of river hydro projects. Forrest Kerr completed commissioning of the head-works and intake structure at the end of March, which set the stage for the project to achieve a significant milestone on April 28 with commencement of waterflow into the power tunnel. Remaining commissioning and construction activities continue on schedule with the focus on the powerhouse systems and high voltage switchyard. The tailrace tunnel was completed during first quarter 2014 with all tunnelling and underground excavation work now finished. AltaGas expects the Northwest Transmission Line to be available in time to enable Forrest Kerr to be in service by mid-2014.

At the 16 MW Volcano Creek project, construction continues to pace ahead of schedule. The tailrace is complete, with no further in-river work required. The turbine assembly is in progress and the penstock installation has commenced. The project remains on track to be in service in late 2014.

At the 66 MW McLymont Creek project, excavation of the powerhouse foundation is complete and installation of the powerhouse foundations has commenced. Clearing of the intake access road is 85 percent complete and approximately 65 percent of the 2,800 metre tunnel has been excavated. The project is expected to be in service in mid-2015.

Energy Exports

AltaGas has made significant progress in developing its liquefied petroleum gas (LPG) export business. The AltaGas Idemitsu Joint Venture Limited Partnership's (AIJVLP) two-thirds ownership of Petrogas, together with Petrogas' acquisition of the Ferndale LPG export terminal in the State of Washington are significant steps in moving the LPG export initiative forward. The goal is to reach 60,000 Bbls/d of export capability through Ferndale and one other export facility by the end of the current decade.

AltaGas, Idemitsu and Petrogas are working together to build the LPG export business from Ferndale. LPG shipments are targeted to begin in the second quarter of 2014 and increase over the course of the next few years. In addition to the Ferndale site, the AIJVLP continues to progress the development of a LPG export terminal on the west coast of Canada. Terminal sites and refrigeration technology have been identified and FEED studies are ongoing.

AltaGas continues to advance its LNG export initiative. The AIJVLP continues to focus on the Triton LNG project, which received approval from the National Energy Board on April 16, 2014, to export 2.3 million tonnes of LNG per year. LNG exports are subject to consultations with First Nations and the completion of the feasibility study, siting, permitting, regulatory approvals and facility construction.

The AIJVLP continues to work with various parties to support the Companies' Creditors Arrangement Act (CCAA) Plan of Arrangement proceedings for the Douglas Channel LNG project. The various parties continue to work on completing term sheets which may allow the project to be restructured under CCAA in accordance with the terms which have been substantially agreed to by the secured creditors. The completion of the term sheets is currently targeted for May 5. If the May 5 deadline is met, AIJVLP plans to develop definitive agreements and stakeholders are expected to vote on the CCAA plan of arrangement following the approximately six-week proof of claim period.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board of Directors increased the dividend by 16 percent and approved the May 2014 dividend of \$0.1475 per common share. The dividend will be paid on June 16, 2014, to common shareholders of record on May 26, 2014. The ex-dividend date is May 22, 2014. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board of Directors approved a dividend of \$0.3125 per share for the period commencing April 1, 2014 and ending June 30, 2014, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on June 30, 2014 to shareholders of record on June 17, 2014. The ex-dividend date is June 13, 2014;
- The Board of Directors approved a dividend of US\$0.275 per share for the period commencing April 1, 2014 and ending June 30, 2014, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on June 30, 2014 to shareholders of record on June 17, 2014. The ex-dividend date is June 13, 2014; and
- The Board of Directors also approved a dividend of \$0.3125 per share for the period commencing April 1, 2014, and ending June 30, 2014, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on June 30, 2014 to shareholders of record on June 17, 2014. The ex-dividend date is June 13, 2014.

CONFERENCE CALL AND WEBCAST DETAILS:

AltaGas will hold a conference call today at 9:00 a.m. MT (11:00 a.m. ET) to discuss first quarter financial results, progress on construction projects and other corporate developments.

Members of the media, investment communities and other interested parties may dial (416) 340 2218 or call toll free at 1 866 225 0198. There is no passcode. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/investors/presentations_and_events. The webcast will be archived for one year.

Shortly after the conclusion of the call, a replay will be available by dialing (905) 694 9451 or 1 800 408 3053. The passcode is 6350008. The replay expires at midnight (Eastern) on May 8, 2014.

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, 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.