

## ALTAGAS LTD. ANNOUNCES US\$150 MILLION PREFERRED SHARE OFFERING

Calgary, Alberta (May 29, 2012)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.R) announced today that it will issue 6,000,000 Cumulative Redeemable Five-Year Fixed Rate Reset Preferred Shares, Series C (the "Series C Preferred Shares"), at a price of US\$25.00 per Series C Preferred Share ("the Offering") for aggregate gross proceeds of US\$150 million on a bought deal basis. The Series C Preferred Shares will be offered to the public through a syndicate of underwriters, co-led by RBC Capital Markets, CIBC and Scotiabank.

Holders of the Series C Preferred Shares will be entitled to receive a cumulative quarterly fixed dividend for the initial period ending on but excluding September 30, 2017 (the "Initial Period") at an annual rate of 4.40%, payable on the last day of March, June, September and December, as and when declared by the Board of Directors of AltaGas. The first quarterly dividend payment is payable on October 1, 2012 and shall be US\$0.3473 per Series C Preferred Share. The dividend rate will reset on September 30, 2017 and every five years thereafter at a rate equal to the sum of the then five-year US government bond yield plus 3.58%. The Series C Preferred Shares are redeemable by AltaGas, at its option, on September 30, 2017 and on September 30 of every fifth year thereafter.

Holders of Series C Preferred Shares will have the right to convert all or any part of their shares into Cumulative Redeemable Floating Rate Preferred Shares, Series D (the "Series D Preferred Shares"), subject to certain conditions, on September 30, 2017 and on September 30 every fifth year thereafter. Holders of Series D Preferred Shares will be entitled to receive a cumulative quarterly floating dividend at a rate equal to the sum of the then three-month US treasury bill yield plus 3.58%, as and when declared by the Board of Directors of AltaGas.

The Offering is expected to close on or about June 6, 2012. Net proceeds will be used to reduce outstanding indebtedness and for general corporate purposes.

AltaGas has granted to the underwriters an option, exercisable in whole or in part at any time up to 48 hours prior to the closing time of the offering, to purchase an additional 2,000,000 Series C Preferred Shares at a price of US\$25.00 per share.

The Series C Preferred Shares will be issued pursuant to a prospectus supplement that will be filed with securities regulatory authorities in Canada under AltaGas' short form base shelf prospectus dated December 7, 2011. The Offering is subject to receipt of all necessary regulatory and stock exchange approvals.

The Series C Preferred Shares have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer,

solicitation or sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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)

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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.