



**NEWS RELEASE**  
**ALTAGAS REPORTS STRONG FOURTH QUARTER AND FULL YEAR RESULTS FOR 2012, NEW GAS ASSETS ONLINE IN QUARTER**

**Calgary, Alberta (February 28, 2013)** – AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) today reported a 51 percent increase in normalized net income for fourth quarter 2012 compared to fourth quarter 2011, and a 21 percent increase for full year 2012 compared to full year 2011. Normalized net income for full year 2012 was \$109.5 million (\$1.15 per share) compared to \$90.2 million (\$1.07 per share) for full year 2011. Normalized net income for fourth quarter 2012 was \$46.6 million (\$0.44 per share) compared to \$30.8 million (\$0.36 per share) for fourth quarter 2011.

"We have positioned AltaGas to deliver growth in earnings and cash flow for the next several years," said David Cornhill, Chairman and CEO of AltaGas. "We completed the largest corporate acquisition and commissioned two of the largest natural gas processing projects in our history. We also made considerable progress on our three Northwest run-of-river hydro projects, which are expected to be in service starting in 2014."

Normalized EBITDA increased by 66 percent to \$129.4 million for fourth quarter 2012 compared to \$78.1 million in fourth quarter 2011. Normalized funds from operations increased by 78 percent to \$112.0 million (\$1.07 per share) for fourth quarter 2012 compared to \$63.0 million (\$0.73 per share) in 2011.

Results in the fourth quarter were primarily driven by the August 30, 2012 acquisition of Semco Holding Corporation (SEMCO), natural gas utilities in Alaska and Michigan, which performed as expected. Fourth quarter results reflect the seasonality of the natural gas distribution business. In the fourth quarter, AltaGas recorded a one-time charge due to the force majeure arbitration decision related to the Sundance B Power Purchase Arrangement.

Normalized EBITDA increased by 27 percent to \$336.9 million for 2012 compared to \$265.8 million in 2011. Normalized funds from operations increased by 28 percent to \$281.0 million (\$2.96 per share) for 2012 compared to \$219.0 million (\$2.61 per share) in 2011.

Reported net income applicable to common shares for fourth quarter 2012 was \$26.7 million (\$0.25 per share) compared to \$31.6 million (\$0.36 per share) for fourth quarter 2011. Reported net income applicable to common shares for full year 2012 was \$101.8 million (\$1.07 per share) compared to \$82.7 million (\$0.98 per share) for full year 2011.

On January 28, 2013, AltaGas and Idemitsu Kosan Co., Ltd. (Idemitsu) signed an agreement to form the AltaGas Idemitsu Joint Venture Limited Partnership (AltaGas Idemitsu LP). AltaGas Idemitsu LP plans to pursue opportunities to develop long-term natural gas supply and sales arrangements to meet the growing demand for natural gas in Asia. AltaGas Idemitsu LP will undertake feasibility studies for the development and construction of liquefaction facilities as part of the proposed project to export liquefied natural gas (LNG) to markets in Asia. AltaGas Idemitsu LP also plans to pursue opportunities to develop a liquefied petroleum gas (LPG or propane) export business including logistics, plant refrigeration and storage facilities.

"The renaissance of natural gas is providing AltaGas with many opportunities across all of our businesses. We are pleased to announce our partnership with Idemitsu to pursue opportunities to export energy from Canada to Asian markets. With the only natural gas pipeline from eastern B.C. to Canada's west coast, AltaGas is well positioned to deliver natural gas for export from Canada ahead of any other project."

Progress on the Northwest run-of-river projects (Northwest Projects), which consist of the Forrest Kerr run-of-river project (Forrest Kerr Project), McLymont Creek run-of-river project (McLymont Creek Project), and Volcano Creek run-of-river project (Volcano Creek Project) remains ahead of schedule and on budget. In 2012, the 195 MW Forrest Kerr Project advanced from 10 percent completion to approximately 75 percent completion. The intake structure and the powerhouse are complete in the Forrest Kerr Project, as is 90 percent of the tunneling. The in-river construction commenced in mid-November and the sluiceway diverting the river is now in operation. The Forrest Kerr Project is expected to be in service in mid-2014, contingent on the availability of the Northwest Transmission Line (NTL). AltaGas has received all material permits and licences for the McLymont Creek Project and the Volcano Creek Project and construction is well underway for service in late 2015.

### **Monthly Common Share Dividend and Quarterly Preferred Share Dividend**

- AltaGas announced today that the March 2013 dividend will be paid on April 15, 2013, to holders of record on March 25, 2013, of common shares. The ex-dividend date is March 21, 2013. The amount of the dividend will be \$0.12 for each common share. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board approved a dividend of \$0.3125 per share for the period commencing January 1, 2013, and ending March 31, 2013, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on April 1, 2013 to shareholders of record on March 15, 2013. The ex-dividend date is March 13, 2013; and
- The Board also approved a dividend of US\$0.275 per share for the period commencing January 1, 2013, and ending March 31, 2013, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on April 1, 2013, to shareholders of record on March 15, 2013. The ex-dividend date is March 13, 2013.

### **Financial Highlights <sup>(1)</sup>**

Effective January 1, 2012, AltaGas follows United States Generally Accepted Accounting Principles (US GAAP). All prior comparative information has been restated to US GAAP.

- Net income applicable to common shares for fourth quarter 2012 was \$26.7 million compared to \$31.6 million for fourth quarter 2011. Net income applicable to common shares for 2012 was \$101.8 million compared to \$82.7 million for 2011;
- Results for fourth quarter 2012 were normalized for \$7.4 million of after-tax mark-to-market losses, \$1.2 million of after-tax transaction costs and foreign exchange losses related to the acquisition of SEMCO, write-down of assets of \$2.1 million, a one-time statutory tax rate adjustment of \$1.1 million and the \$8.2 million charge due to the Sundance force majeure arbitration decision;
- Normalized net income was \$46.6 million (\$0.44 per share) for fourth quarter 2012 compared to \$30.8 million (\$0.36 per share) for fourth quarter 2011. Normalized net income for 2012 was \$109.5 million (\$1.15 per share) compared to \$90.2 million (\$1.07 per share) for 2011;
- Normalized EBITDA was \$129.4 million for fourth quarter 2012 compared to \$78.1 million for fourth quarter 2011; Normalized EBITDA for 2012 was \$336.9 million compared to \$265.8 million in 2011;
- Normalized funds from operations was \$112.0 million (\$1.07 per share) for fourth quarter 2012 compared to \$63.0 million (\$0.73 per share) for fourth quarter 2011. Normalized funds from operations was \$281.0 million (\$2.96 per share) for 2012 compared to \$219.0 million (\$2.61 per share) in 2011;
- Reported net debt was \$2,690.5 million as at December 31, 2012 compared to \$1,334.2 million as at December 31, 2011; and
- Reported debt-to-total capitalization ratio was 57.4 percent as at December 31, 2012 compared to 49.5 percent as at December 31, 2011.

<sup>(1)</sup> Includes Non-GAAP financial measures. See public disclosures available at [www.altagas.ca](http://www.altagas.ca) or [www.sedar.com](http://www.sedar.com) for definitions.

## IN THE FOURTH QUARTER, ALTAGAS:

- Commissioned the Gordondale deep-cut gas plant (Gordondale) and began commercial operations ahead of schedule;
- Completed commissioning of the Co-stream facility (Co-stream) at the Harmattan complex (Harmattan);
- Began in-river work at the 195 MW Forrest Kerr Project; and
- Received all material permits and licences for both the McLymont Creek Project and Volcano Creek Project.

## CONSOLIDATED FINANCIAL RESULTS

Effective January 1, 2012, the Corporation follows US GAAP. Information derived from the Consolidated Statements of Income and Consolidated Balance Sheets for the year ended and as at December 31, 2011, along with other selected financial information for 2011, has been restated to comply with US GAAP. All prior comparative information that has been restated to US GAAP is labeled "restated".

(unaudited) (\$ millions)	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011 (restated)	2012	2011 (restated)
Revenue	525.2	333.5	1,450.3	1,270.6
Net revenue <sup>(1)</sup>	207.6	156.0	664.6	513.1
Normalized operating income <sup>(1)</sup>	96.4	56.4	234.6	184.3
Normalized EBITDA <sup>(1)</sup>	129.4	78.1	336.9	265.8
Net income applicable to common shares	26.7	31.6	101.8	82.7
Normalized net income <sup>(1)</sup>	46.6	30.8	109.5	90.2
Total assets	5,911.9	3,556.2	5,911.9	3,556.2
Total long-term liabilities	3,349.5	1,637.6	3,349.5	1,637.6
Net additions to property, plant and equipment	166.5	401.1	1,532.1	642.6
Dividends declared <sup>(2)</sup>	37.4	29.8	132.8	112.2
Cash flows				
Normalized funds from operations <sup>(1)</sup>	112.0	63.0	281.0	219.0
(\$ per share, except shares outstanding)	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011 (restated)	2012	2011 (restated)
Normalized EBITDA <sup>(1)</sup>	1.23	0.90	3.55	3.16
Net income - basic	0.25	0.36	1.07	0.98
Net income - diluted	0.25	0.36	1.06	0.97
Normalized net income <sup>(1)</sup>	0.44	0.36	1.15	1.07
Dividends declared <sup>(2)</sup>	0.36	0.34	1.40	1.34
Cash flows				
Normalized funds from operations <sup>(1)</sup>	1.07	0.73	2.96	2.61
Shares outstanding - basic (millions)				
During the period <sup>(3)</sup>	105.0	86.6	95.0	84.0
End of period	105.3	89.2	105.3	89.2

<sup>(1)</sup> Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of the 2012 annual MD&A.

<sup>(2)</sup> Dividends declared of \$0.11 per common share per month from January 1 until October 27, 2011, \$0.115 commencing October 27, 2011 and \$0.12 per common share per month commencing September 10, 2012.

<sup>(3)</sup> Weighted average.

## 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 fourth quarter and year-end financial results, progress on construction projects and other corporate developments.

Members of the media, investment communities and other interested parties may dial (416) 340-8527 or call toll free at 1-877-240-9772. 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](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 4440593. The replay expires at midnight (Eastern) on March 7, 2013.

The complete fourth quarter 2012 news release is available on [www.altagas.ca](http://www.altagas.ca) in the Investors/Financial Reporting section of its website.

The audited consolidated annual financial statements and annual Management's Discussion and Analysis (MD&A), which contain additional notes and disclosures, are expected to be filed with SEDAR on or about March 5, 2013, at which time a press release to that effect will be issued. The material will also be available on the AltaGas website on that same day ([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 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.*

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