AltaGas

NEWS RELEASE
ALTAGAS LTD. REPORTS STRONG SECOND QUARTER RESULTS AND INCREASES DIVIDEND 6.1 PERCENT

Calgary, Alberta (July 21, 2016)

(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

Highlights

- Record second quarter normalized EBITDA of $153 million, a 43 percent increase over the second quarter of 2015;
- 68 percent increase in normalized funds from operations to $114 million;
- Increased common share dividend by $0.01 per share per month to $2.10 per share annualized beginning with the September 15, 2015 payment, a 6.1 percent increase;
- Signed Memorandum of Understanding (MOU) with Astomos Energy Corporation (Astomos) for 50 percent of the 1.2 million tonnes of Liquefied Petroleum Gas (LPG) available to be shipped from the proposed Ridley Island Propane Export Terminal;
- Completed the 198 Mmcf/d shallow-cut Townsend Facility ahead of schedule and under budget;
- Completed restructuring of non-utility workforce which is expected to reduce operating and administrative expenses by approximately $7 million on a full year basis; and
- Invested $150 million into Petrogas Energy Corp. (Petrogas) preferred shares.

AltaGas Ltd. (AltaGas) (TSX:ALA) today reported second quarter 2016 normalized EBITDA of $153 million, an increase of 43 percent over the same quarter of 2015. Normalized funds from operations were $114 million ($0.75 per share) for the second quarter of 2016, compared to $68 million ($0.50 per share) in the same period of 2015. Normalized net income was $29 million ($0.19 per share) for the second quarter of 2016, compared to $9 million ($0.07 per share) in the same period of 2015.

“Our second quarter results reflect the strength of our assets and the significant growth we had in our power segment in late 2015 with the addition of the San Joaquin assets and our McLymont Hydro facility,” said David Harris, President and CEO of AltaGas. “We also made substantial progress on our growth initiatives throughout the quarter. The MOU with Astomos helps underpin our Ridley Island Propane Export Terminal and brings us one step closer to a final investment decision, expected in the fourth quarter of 2016. We also started up Townsend successfully ahead of schedule and under budget. We remain focused on delivering on our growth projects and on efficiencies throughout our business to lower our costs. Our results, the strong execution of our growth projects, and our dividend increase, all underscore the value we bring shareholders.”

The increase in normalized EBITDA for the second quarter of 2016 was mainly due to the San Joaquin Facilities acquired late in 2015 which contributed approximately $27 million, higher contributions from the Northwest Hydro Facilities as a result of McLymont entering commercial service in the fourth quarter of 2015 and improved performance at Forrest Kerr after a full year of operations, as well as higher river flow, the absence of turnarounds at the Younger and Harmattan facilities compared to the second quarter of 2015, and higher realized hedging gains on the Alberta power portfolio. These increases were partially offset by lower gains from frac hedges, the absence of equity income from the Sundance B Power Purchase Arrangements (the Sundance B PPAs) terminated in the first quarter of 2016, and the impact of the sale of non-core assets to Tidewater Midstream and Infrastructure Ltd. (Tidewater) on February 29, 2016.

The increase in normalized funds from operations in the second quarter of 2016 was driven by the same factors as normalized EBITDA, as well as higher distributions from Petrogas, partially offset by higher interest expense and current income tax expense.

The increase in normalized net income in the second quarter of 2016 was driven by the same factors as normalized EBITDA, partially offset by higher depreciation and amortization expense, interest expense and preferred share dividends.

During the quarter AltaGas announced that AltaGas LPG Limited Partnership, a wholly owned subsidiary, entered into a MOU with Astomos, setting out key commercial terms for the sale and purchase of LPG from the proposed Ridley Island Propane Export Terminal. Under the terms of a contemplated multi-year agreement, it is anticipated that Astomos will purchase at least 50 percent of the 1.2 million tonnes of propane available to be shipped from the export terminal each year. Active commercial discussions are continuing for additional capacity commitments.

In June 2016, AltaGas completed a restructuring that reduced its non-utility workforce by approximately 10 percent. Total pre-tax restructuring costs incurred were approximately $7 million, which were charged to operating and administrative expenses. The restructuring is expected to reduce operating and administrative expenses by approximately $7 million on an annualized basis.

On June 29, 2016, AltaGas directly invested $150 million to subscribe for 6,000,000 cumulative redeemable convertible preferred shares of Petrogas (the Petrogas Preferred Shares). The Petrogas Preferred Shares are non-voting and entitle AltaGas to a fixed, cumulative, preferential cash dividend at a rate of 8.5 percent per annum payable quarterly. These preferred shares are, in the normal course, redeemable at any time on or after January 1, 2018 and convertible into a specified number of common shares at the option of either holder at any time on or after April 19, 2018.

For the second quarter of 2016, AltaGas recorded income tax expense of $4 million compared to $10 million in the same quarter of 2015. The decrease was mainly due to the absence of a one-time, non-cash $14 million charge recorded in the second quarter of 2015 related to a 2 percent increase in the Alberta corporate income tax rate. This was partially offset by higher earnings in the second quarter of 2016.

On a U.S. GAAP basis, net income applicable to common shares for the second quarter of 2016 was $16 million ($0.10 per share) compared to net loss applicable to common shares of $22 million ($0.16 per share) for the same quarter in 2015. Net income applicable to common shares for the second quarter of 2016 was normalized for after-tax amounts related to unrealized losses on risk management contracts and restructuring costs. In the second quarter of 2015, net loss applicable to common shares was normalized for after-tax amounts related to unrealized losses on risk management contracts, energy export development costs, unrealized gains on long-term investments, and a statutory tax rate change.

For the six months ended June 30, 2016, AltaGas reported normalized EBITDA of $332 million compared to $284 million for the same period in 2015. The increase was primarily due to EBITDA generated from the San Joaquin Facilities, rate base and customer growth at the Utilities, the impact of the stronger US dollar on reported results of the U.S. assets, higher contributions from the Northwest Hydro Facilities, the absence of turnarounds at the Younger and Harmattan facilities, and higher earnings from Petrogas. This was partially offset by the impact of significantly warmer weather experienced at all of AltaGas' Utilities during the winter heating season, lower gains from frac hedges, lower fee-for-service revenue, and low Alberta power pool prices prior to the termination of the Sundance B PPAs.

Normalized funds from operations for the first half of 2016 was $248 million ($1.66 per share), compared to $208 million ($1.54 per share) for the same period in 2015, driven by the same factors impacting normalized EBITDA as well as an increase in common share dividends from Petrogas, partially offset by higher interest and current income tax expense.

For the six months ended June 30, 2016, AltaGas recorded income tax expense of $10 million compared to $41 million for the same period in 2015. Income tax expense decreased primarily due to the absence of the one-time, non-cash $14 million charge related to the increase in the Alberta corporate income tax rate, and the $10 million tax recovery related to the Tidewater Gas Asset Disposition recorded in the first quarter of 2016, as well as lower earnings from operations in Canada.

Normalized net income for the first half of 2016 was $68 million ($0.46 per share), compared to $66 million ($0.49 per share) reported for the same period in 2015. The variance was driven by the same factors impacting normalized EBITDA as well as higher depreciation and amortization expense, interest expense and preferred share dividends.

On a U.S. GAAP basis, net income applicable to common shares for the first half of 2016 was $71 million ($0.48 per share) compared to $44 million ($0.33 per share) for the same period in 2015. Net income applicable to common shares for the first half of 2016 was normalized for after-tax amounts related to unrealized losses on risk management contracts, transaction costs related to acquisitions, gains on sale of assets and related tax recovery, dilution loss recognized on investment accounted for by the equity method, provision on investment accounted for by the equity method, and restructuring costs. In the first half of 2015, net income applicable to common shares was normalized for after-tax amounts related to unrealized losses on risk management contracts, unrealized gains on long-term investments, development costs incurred for the energy export projects and a statutory tax rate change.

Based on projects currently under review, development or construction, AltaGas expects capital expenditures in the range of $600 to $650 million for 2016. Gas and Power maintenance capital is expected to be less than $40 million of total capital expenditures. With the completion of the Townsend Facility, a significant portion of the 2016 committed growth capital has been incurred. A large portion of the remaining 2016 growth capital expenditures is discretionary and AltaGas has the flexibility to adjust the pace of spending at its option. The Corporation continues to focus on enhancing productivity and streamlining businesses, including the disposition of smaller non-core assets.

AltaGas maintains financial strength and flexibility, investment grade credit ratings, and ready access to capital markets. On April 7, 2016, AltaGas issued $350 million of senior unsecured medium-term notes (MTNs). The MTNs carry a coupon rate of 4.12 percent and will mature on April 7, 2026. On June 6, 2016, AltaGas closed a public offering of 14,685,000 Common Shares, on a bought deal basis, at an issue price of $30 per Common Share, for total gross proceeds of approximately $440 million. AltaGas has solid cash flow coming from its diversified base businesses and the Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan. With ample bank line reserves and the flexibility to manage the timing of capital spending, AltaGas is fully funded and well positioned for 2016. AltaGas had $1.4 billion available on its credit facilities at the end of the second quarter of 2016 and cash of $77 million.

2016 Outlook

AltaGas continues to expect to deliver overall normalized EBITDA growth of approximately 20 percent in 2016 compared to 2015. The majority of the annual growth in 2016 is expected to be driven by the Power segment, with Utilities also expected to increase by a small amount from 2015, while the Gas segment is expected to see a small decline versus 2015 mainly due to the Tidewater Gas Asset Disposition. The most significant driver of normalized EBITDA growth is a full year contribution from the San Joaquin Facilities acquired on November 30, 2015. 2016 will also be the first year that all three Northwest Hydro Facilities provide a full year contribution as McLymont entered commercial service in the fourth quarter of 2015. AltaGas' integrated northeast British Columbia strategy is expected to add additional EBITDA in 2016 with a partial year contribution from the first phase of the Townsend Facility entering commercial operations on July 10, 2016. The Townsend Facility is expected to generate normalized EBITDA of approximately $20 million for 2016 as volumes from Painted Pony Petroleum Ltd. (Painted Pony) progressively increase through year-end. The Utilities segment is expected to report increased normalized EBITDA in 2016 driven by rate base and customer growth while also benefitting from a favorable US dollar exchange rate. The overall forecasted growth in normalized EBITDA includes lower commodity hedge gains in the Gas segment compared with 2015 as well as higher operating and administrative costs due to new assets placed into service.

AltaGas continues to expect normalized funds from operations to grow by up to approximately 15 percent in 2016, driven by the factors noted above for normalized EBITDA growth, partially offset by higher financing costs related to new assets acquired as well as new assets in service and higher current tax expenses. AltaGas' $150 million investment in the Petrogas Preferred Shares will contribute to funds from operations as dividends on such shares are expected to be paid quarterly. In the first half of 2016, AltaGas received $12 million in common share dividends from Petrogas and currently expects to receive a similar amount in the second half of 2016. For the full year of 2015, AltaGas received $11 million in common share dividends from Petrogas.

The non-utility workforce restructuring that was completed in June 2016 is expected to reduce operating and administrative expenses by approximately $7 million on an annualized basis.

Project Updates

Townsend Facility, Gas Gathering Line, Liquids Egress Lines and Truck Terminal

Construction of AltaGas' integrated midstream complex at Townsend in Northeast British Columbia, including the Townsend Facility, gas gathering line, liquids egress lines and truck terminal, was largely completed by the end of the second quarter of 2016. The total project is expected to have a final cost of approximately $430 million. This represents a savings of approximately $40 million less than what was originally anticipated. The cost savings were achieved through in-house construction capabilities and efficiencies, and will benefit both Painted Pony and AltaGas.

The Townsend Facility is a 198 Mmcf/d shallow-cut gas processing facility located approximately 100 km north of Fort St. John and 20 km southeast of AltaGas' Blair Creek Facility. Painted Pony has reserved all of the firm capacity under a 20-year take-or-pay agreement. The estimated final cost for the Townsend Facility and associated infrastructure is expected to be approximately $330 million and includes the plant, sales gas line, improvements to site, local roads and the Alaska Highway, as well as additional compression. On July 7, 2016, the Townsend Facility officially processed sales gas volumes and started commercial operations on July 10, 2016. Volumes are expected to progressively ramp up through the fourth quarter of 2016. AltaGas achieved capital efficiencies during construction of the Townsend Facility and related infrastructure and the project is expected to be completed under budget.

Incremental to the Townsend Facility are two other related projects. The first is a 25 km gas gathering line, which connects the Blair Creek field gathering area to the Townsend Facility. This gathering line was completed under budget at approximately $35 million and on schedule. Painted Pony has reserved all of the firm service for the gas gathering line under a 20-year take-or-pay agreement. The second project consists of two 30 km liquids egress lines running from the Townsend Facility to a new truck terminal on the Alaska Highway. The pipelines can move initial liquids volumes of up to 10,000 Bbls/d each, and with pumping modifications can accommodate up to 30,000 Bbls/d each. These twin pipelines were substantially constructed in the first quarter of 2016. Construction of the truck terminal is also substantially complete and pre-commissioning is expected to be completed by the end of July 2016. Painted Pony is expected to reserve firm liquids capacity on the liquids egress lines for all the liquids from the first phase of the Townsend facility under a 20-year take-or-pay agreement. The two liquids egress lines and the truck terminal are now estimated to cost approximately $65 million when completed, well under the original budget.

North Pine Liquids Separation Project

AltaGas is developing a liquids separation and handling facility (the North Pine Facility) located approximately 40 km northwest of Fort St. John, British Columbia. The North Pine Facility will be connected to existing AltaGas infrastructure in the region, including the proposed Ridley Island Propane Export Terminal, and will serve producers in the Montney region. The North Pine Facility is being designed with capacity to process up to 20,000 bbls/d of C3+

and handle up to 20,000 bbls/d of C5+. Engagement with First Nations and key stakeholders continues, and on April 14, 2016 AltaGas filed its application with the B.C. Oil and Gas Commission (OGC) for permitting of North Pine. Approval is expected in the third quarter of 2016. A front-end engineering and design (FEED) study was completed in March, with assessment of further capital optimization opportunities to be completed in the third quarter of 2016. In conjunction with the North Pine Facility, AltaGas is developing two liquids supply lines connecting the North Pine Facility to the Alaska Highway truck terminal. Completion of the FEED study and application with the OGC is expected in the third quarter of 2016. The North Pine Facility and the two liquids supply lines are expected to cost approximately $190 to $210 million. AltaGas expects to receive permits and reach a Final Investment Decision (FID) in 2016 with commercial operations commencing in the first half of 2018.

Ridley Island Propane Export Terminal

AltaGas signed a sublease and related agreements with Ridley Terminals Inc. to develop, build, own and operate the proposed Ridley Island Propane Export Terminal located near Prince Rupert, British Columbia on lands leased from Ridley Terminals Inc. and the Prince Rupert Port Authority. The proposed Ridley Island Propane Export Terminal is estimated to cost approximately $400 to $500 million and is to be designed to ship up to 1.2 million tonnes of propane per annum. It will be built on a brownfield site with a history of industrial development, connections to existing rail lines and an existing marine jetty with deep water access to the Pacific Ocean. Propane from British Columbia and Alberta natural gas producers will be transported to the facility using the existing CN rail network.

AltaGas has begun the formal environmental review process. AltaGas also continues to engage closely with First Nations. On February 11, 2016, AltaGas filed an application with the National Energy Board (NEB) for a 25-year propane export licence. Preliminary engineering and the FEED study have been completed and further capital optimization opportunities are currently being addressed. AltaGas expects to reach FID in the fourth quarter of 2016, subject to First Nations engagement and necessary approvals.

Early Stage Deep Basin Liquids Separation Facility

AltaGas is in the early stages of development of a liquids separation facility which will serve producers in the Deep Basin region of northwest Alberta. A pre-FEED study was completed in May 2016. The facility is being designed with capacity to process up to 10,000 Bbls/d of C3+ and handle up to 10,000 Bbls/d of C5+. The Deep Basin facility will have access to existing rail and can be connected to AltaGas' proposed Ridley Island Propane Export Terminal. Active discussions with producers to contractually underpin the base capacity are continuing, and engagement with First Nations and key stakeholders is underway. Facility and rail applications have been submitted to the Alberta Energy Regulator in May 2016. AltaGas will target to reach FID in 2016, subject to completing commercial arrangements, stakeholder engagement, and regulatory approvals. The liquids separation facility is expected to cost approximately $60 to $80 million.

Blythe Energy Center (Blythe)

The Blythe Facility, and the Blythe II Facility (Sonoran) currently under development, are well situated to serve a larger western regional transmission organization comprised of several western U.S. states. AltaGas expects several request for proposals to emerge from these states throughout the course of 2016 and 2017, and expects to bid both the potential re-contracting of its Blythe Facility after its PPA expires July 31, 2020, and the potential Sonoran Facility, into these upcoming RFPs. Separately, AltaGas continues to have bilateral discussions with utilities and municipalities for multi-year capacity agreements, while also considering Resource Adequacy market pricing, potential energy and ancillary service offerings, and alternative configurations (gas, combined with solar and energy storage) for the Blythe facilities. It is expected that up to 15,000 megawatts (MW) will need to be replaced in California due to retirements over the next decade. As utilities, non-utility and large generators continue to determine their future resource needs to achieve California's 50 percent renewable portfolio standard, sufficient flexible, fast ramping gas-fired capability will be required to help backstop intermittent renewable capacity and meet peak load requirements.

Repowering of Pomona Facility

In the first quarter of 2016 AltaGas submitted an application with the California Energy Commission to repower the Pomona Facility to a flexible, fast ramping peaking facility under the small power plant exemption process. It is anticipated that the application review process will be approximately 12 months and include a review of the emissions profile by the local air district. The existing Pomona Facility is a 44.5 MW gas-fired peaking plant strategically located in the Los Angeles load pocket. The repowered facility could be comprised of more efficient gas-fired technology with capacity up to 100 MW. Following approval AltaGas will be ready to bid the repowered Pomona facility into upcoming RFPs or enter into other bilateral contract arrangements. At the same time, AltaGas is also reviewing commercial opportunities for energy storage at the Pomona facility.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board of Directors approved a dividend of $0.175 per common share. The dividend will be paid on September 15, 2016, to common shareholders of record on August 25, 2016. The ex-dividend date is August 23, 2016. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board of Directors approved a dividend of $0.21125 per share for the period commencing June 30, 2016 and ending September 29, 2016, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016;
- The Board of Directors approved a dividend of $0.20109 per share for the period commencing June 30, 2016 and ending September 29, 2016, on AltaGas' outstanding Series B Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016;

- The Board of Directors approved a dividend of US$0.275 per share for the period commencing June 30, 2016 and ending September 29, 2016, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016;
- The Board of Directors approved a dividend of $0.3125 per share for the period commencing June 30, 2016, and ending September 29, 2016, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016;
- The Board of Directors approved a dividend of $0.296875 per share for the period commencing June 30, 2016, and ending September 29, 2016, on AltaGas' outstanding Series G Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016; and
- The Board of Directors approved a dividend of $0.328125 per share for the period commencing June 30, 2016, and ending September 29, 2016, on AltaGas' outstanding Series I Preferred Shares. The dividend will be paid on September 30, 2016 to shareholders of record on September 16, 2016. The ex-dividend date is September 14, 2016.

Consolidated Financial Review

($ millions)	Three Months Ended June 30 2016	2015	Six Months Ended June 30 2016	2015
Revenue	**426**	416	**1,036**	1,161
Normalized EBITDA[1]	**153**	107	**332**	284
Net income (loss) applicable to common shares	**16**	(22)	**71**	44
Normalized net income[1]	**29**	9	**68**	66
Total assets	**9,858**	8,479	**9,858**	8,479
Total long-term liabilities	**4,561**	4,139	**4,561**	4,139
Net additions to property, plant and equipment	**126**	143	**206**	253
Dividends declared[2]	**76**	63	**148**	123
Cash flows				
Normalized funds from operations[1]	**114**	68	**248**	208

($ per share, except shares outstanding)	Three Months Ended June 30 2016	2015	Six Months Ended June 30 2016	2015
Normalized EBITDA[1]	**1.01**	0.79	**2.23**	2.10
Net income (loss) per common share - basic	**0.10**	(0.16)	**0.48**	0.33
Net income (loss) per common share - diluted	**0.10**	(0.16)	**0.48**	0.33
Normalized net income[1]	**0.19**	0.07	**0.46**	0.49
Dividends declared[2]	**0.50**	0.47	**0.99**	0.91
Cash flows				
Normalized funds from operations[1]	**0.75**	0.50	**1.66**	1.54
Shares outstanding - basic (millions)				
During the period[3]	**152**	135	**149**	135
End of period	**163**	135	**163**	135

(1) Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of this MD&A.

(2) Dividends declared per common share per month $0.1475 beginning on May 26, 2014, $0.16 beginning on May 26, 2015 and $0.165 beginning on October 26, 2015.

(3) Weighted average.

Conference Call and Webcast Details:

AltaGas will hold a conference call, July 21, 2016 at 9:00 a.m. MT (11:00 a.m. ET) to discuss second quarter financial results, progress on construction projects and other corporate developments.

Members of the investment communities and other interested parties may dial (416) 340-2216 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 4242465. The replay will expire at midnight (Eastern) on July 28, 2016.

Additional information relating to AltaGas' results can be found in the Management's Discussion and Analysis and unaudited condensed interim consolidated financial statements as at and for the period ended June 30, 2016 available through AltaGas' website at www.altagas.ca or through SEDAR at www.sedar.com.

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", "contemplate", "projection", "propose", "focus", "estimate", "target", "on track", "expect", and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. 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, capital expenditures, and financial results. In particular this news release contains forward looking statements with respect to the projected growth or decline in normalized EBITDA and normalized funds from operations (including per business segment); expectations with respect to the Townsend Facility and related projects including progress of construction, estimated cost, expected commissioning timeline, expected earnings and impact on earnings, capacity and cost of egress lines and truck terminal and expectations regarding Painted Pony's reservation of firm capacity on egress lines and delivery of gas volumes; expectations with respect to the development of the proposed Ridley Island Propane Export Terminal including development costs, propane transport capability, initial shipment capacity, sale and purchase of LPG from the terminal, timing of final investment decision and commercial operations, entering into a multi-year agreement with Astomos and impact MOU has on underpinning project and final investment decision; expectations relating to the development of the North Pine Facility and liquid supply lines including connection capability to rail, existing AltaGas infrastructure, the proposed Ridley Island Propane Export Terminal and the Alaska highway truck terminal, facility specifications, handling capability, service area cost, completion date of studies and permitting, final investment decision date and commercial operation date; expectations with respect to the development of the Deep Basin facility including facility specifications, design and handling capacity, access to rail, connection capability to proposed Ridley Island Propane Export Terminal and target for final investment decision and completion of studies and permitting; expectations relating to AltaGas' ability to fund its projects and business, including its access to capital markets and credit facilities and its flexibility to manage timing of capital spending; expectations that AltaGas is well-positioned to fund its growth capital and to take advantage of growth opportunities as they arise; expectations relating to the energy *needs of California; the potential for, and timing of, RFPs from western U.S. states, the ability to bid the Blythe and Sonoran facilities into these upcoming RFPs, reconfigure, recontract and pursue other opportunities available for these facilities and pursue other opportunities; expectations with respect to the Pomona facility including expected timeline, ability to repower, increase capacity, reconfigure, bid into RFPs and pursue other opportunities; expectations relating to the San Joaquin Facilities including expected contributions to growth and impact on earnings; expectations relating to the Northwest Hydro Facilities including expected contributions to earnings; expected impact on earnings of the sale of gas assets to Tidewater; expectations regarding Petrogas including earnings and dividends from Petrogas and contributions to AltaGas' growth; expectations regarding U.S. dollar exchange rate, commodity hedge gains and operating and administrative expenses; expected earnings from the utilities segment including from rate base and customer growth; expectations regarding the payment of dividends; and ability to dispose of smaller non-core assets.*

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, changes in tax legislation, fluctuations in commodity prices, interest or foreign exchange rates, access to capital markets, general economic conditions, changes in the political environment, changes to environmental and other laws and regulations, cost for labour, equipment and materials and other factors set out in AltaGas' continuous disclosure documents, including the Annual Information Form and the MD&A as at and for the year ended December 31, 2015.

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 as well as the assumptions upon which they are based proving incorrect. 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, forecasted, expected, projected or targeted, 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.

Financial outlook information contained in this news release about prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein.

This news release contains references to certain financial measures that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other entities. The non-GAAP measures and their reconciliation to GAAP financial measures are shown in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the three and six months ended June 30, 2016. These measures provide additional information that management believes is meaningful regarding AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for and incremental information associated with each non-GAAP measure is discussed in AltaGas' MD&A as at and for the three and six months ended June 30, 2016. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP.