

ALTAGAS LTD. CLOSES ACQUISITION OF NATURAL GAS UTILITIES IN MICHIGAN AND ALASKA

Calgary, Alberta (August 30, 2012)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) today announced the successful completion of the acquisition of SEMCO Holding Corporation ("SEMCO"). The acquisition marks a significant milestone in AltaGas' history.

Including SEMCO, AltaGas expects to add approximately \$1.8 billion in new and expanded assets in 2012, and increase EBITDA by approximately \$215 million on an annualized basis. The incremental cash flow is underpinned by regulated returns and long-term contracts.

SEMCO owns a regulated natural gas distribution utility in Alaska known as ENSTAR Natural Gas Company and an interest in a regulated natural gas storage utility in Alaska called Cook Inlet Natural Gas Storage Alaska, LLC. SEMCO also owns a regulated natural gas distribution utility and an interest in a natural gas storage facility in Michigan.

"I am pleased to welcome SEMCO employees to AltaGas," said David Cornhill, Chairman and CEO of AltaGas. "We have a long history of operating natural gas utilities across Canada and with this addition, we will continue to deliver safe and reliable service to our customers in Canada and now in the U.S. Our utilities now serve over 540,000 customers and have rate base of over \$1.2 billion."

The acquisition is valued at \$1.135 billion and is subject to customary closing adjustments. SEMCO is expected to add approximately US\$130 million in incremental EBITDA in 2013, the first full year of ownership and \$45 million EBITDA for the remainder of 2012. AltaGas' Utility business, on a pro forma basis, is expected to be approximately 40 percent of consolidated EBITDA. In third quarter AltaGas expects to record approximately \$6.0 million of transaction costs and approximately \$7.0 million of foreign exchange charges related to the acquisition.

In addition to the acquisition of SEMCO, AltaGas recently completed a 50 Mmcf/d expansion of the Blair Creek facility serving producers in the Montney area. Commissioning of the Harmattan Co-stream Project is ongoing and is expected to be in service in the third quarter. The new Gordondale deep-cut gas plant, also serving producers in the Montney area, is in the final phase of construction and equipment commissioning has begun. Gordondale is expected to be in service in late 2012. The new and expanded gas assets in service this year are underpinned by long-term contracts with strong counterparties and are expected to add approximately \$75 million EBITDA on an annualized basis.

AltaGas is also growing its power portfolio in 2012. The acquisition of biomass generation

in the United States, the second cogeneration plant at the Harmattan gas facility, and AltaGas' first wind farm in the United States expected to be commissioned in early October 2012, together are expected to add approximately \$10 million EBITDA on an annualized basis.

"We are on track to bring on two new major Gas projects by the end of the year and we are ahead of schedule on our marquis Forrest Kerr run-of-river project for 2014," said Mr. Cornhill. "We are pleased with our progress in 2012 as we continue to add strong assets to deliver superior returns to our investors".

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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