

ALTAGAS CLOSES SUBSCRIPTION RECEIPT OFFERING

Calgary, Alberta (February 22, 2012)

AltaGas Ltd. (“AltaGas” or the “Corporation”) (TSX: ALA; ALA.PR.A; ALA.R) today announced that it has closed its previously announced offering of 13,915,000 subscription receipts at a price of \$29.00 per subscription receipt for aggregate gross proceeds of approximately \$403 million (the “Offering”), including the exercise in full of the underwriters’ over-allotment option. Net proceeds will be used to fund the acquisition of Semco Holdings Corporation (“SEMCO”). The subscription receipts will commence trading on the Toronto Stock Exchange today under the symbol ALA.R.

On February 1, AltaGas announced that it had entered into a definitive agreement (the “Agreement”) with Continental Energy Systems LLC to acquire SEMCO for US\$1.135 billion, including approximately US\$355 million in assumed debt. SEMCO is the sole shareholder of SEMCO Energy, Inc. a privately held regulated public utility company headquartered in Port Huron, Michigan. SEMCO indirectly holds a regulated natural gas distribution utility in Alaska through ENSTAR Natural Gas Company and an interest in a regulated natural gas storage utility in Alaska under construction called Cook Inlet Natural Gas Storage Alaska, LLC (“CINGSA”). SEMCO also indirectly holds a regulated natural gas distribution utility and an interest in an unregulated natural gas storage facility in Michigan.

Each subscription receipt entitles the holder thereof to receive, without payment of additional consideration or further action, upon closing of the acquisition and upon satisfaction of certain escrow release conditions, one common share of AltaGas plus an amount equal to the dividends AltaGas declares on the common shares, if any, for record dates which occur during the period from and including the closing date of the offering to, but not including, the date of issuance of the common shares issuable on the deemed exercise of the subscription receipts, net of any applicable withholding taxes.

The net proceeds from the sale of the subscription receipts are being held by an escrow agent pending, among other things, receipt of all regulatory and government approvals required to finalize the SEMCO acquisition and fulfillment or waiver of all other outstanding conditions precedent to closing the acquisition. In the event such approvals and conditions are not satisfied prior to November 30, 2012, or if the Agreement is terminated prior to such time, or AltaGas advises the underwriters or discloses to the public that it does not intend to proceed with the acquisition of SEMCO, the holders of the subscription receipts will be entitled to receive an amount equal to the full subscription price thereof plus their pro rata share of the interest earned on the escrowed funds, net of any applicable withholding taxes.

The offering was completed through a syndicate of underwriters, co-led by BMO Nesbitt Burns Inc., RBC Dominion Securities Inc. and TD Securities Inc., and including CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., Beacon Securities Limited, FirstEnergy Capital Corp. and Peters & Co. Limited.

The subscription receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the subscription receipts in the United States or any jurisdiction 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.

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, the use of proceeds from the Offering and the expected closing date of the Offering, the acquisition of SEMCO and the aggregate cash consideration payable in connection therewith. 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 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 except as required by law. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Investment Community
1-877-691-7199
investor.relations@altagas.ca

Media
(403) 691-9873
media.relations@altagas.ca

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES.**