

ALTAGAS LTD. PROVIDES NOTICE OF SERIES C SHARES CONVERSION RIGHT AND ANNOUNCES RESET DIVIDEND RATES

Calgary, Alberta (August 31, 2017)

AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that it does not intend to exercise its right to redeem its currently outstanding Cumulative Redeemable Five-Year Rate Reset Preferred Shares, Series C (the "Series C Shares") (TSX: ALA.PR.U) on September 30, 2017. As a result, subject to certain conditions, the holders of the Series C Shares have the right to convert all or part of their Series C Shares on a one-for-one basis into Cumulative Redeemable Floating Rate Preferred Shares, Series D of AltaGas (the "Series D Shares") on September 30, 2017. Holders who do not exercise their right to convert their Series C Shares into Series D Shares will retain their Series C Shares.

The foregoing conversion right is subject to the conditions that: (i) if AltaGas determines that there would be less than 1,000,000 Series C Shares outstanding after September 30, 2017, then all remaining Series C Shares will automatically be converted into Series D Shares on a one-for-one basis on September 30, 2017; and (ii) alternatively, if AltaGas determines that there would be less than 1,000,000 Series D Shares outstanding after September 30, 2017, no Series C Shares will be converted into Series D Shares. There are currently 8,000,000 Series C Shares outstanding.

With respect to any Series C Shares that remain outstanding after September 30, 2017, holders shall be entitled to receive, as and when declared by the Board of Directors of AltaGas, fixed cumulative preferential cash dividends, payable quarterly. The new annual dividend rate applicable to the Series C Shares for the five-year period commencing on September 30, 2017 to, but excluding, September 30, 2022 will be 5.29 percent, being equal to the five-year United States Government bond yield of 1.71 percent determined as of today plus 3.58 percent.

With respect to any Series D Shares that may be issued on September 30, 2017, holders shall be entitled to receive, as and when declared by the Board of Directors of AltaGas, quarterly floating rate cumulative preferential cash dividends. The dividend rate applicable to the Series D Shares for the three-month floating rate period commencing on September 30, 2017 to, but excluding, December 31, 2017 will be 4.62 percent, based on the annual rate on three-month United States Government treasury bills for the most recent treasury bills auction of 1.04 percent plus 3.58 percent (the "Floating Quarterly Dividend Rate"). The Floating Quarterly Dividend Rate will be reset every quarter.

Beneficial holders of Series C Shares who wish to exercise their right of conversion during the conversion period, which runs from August 31, 2017 until 5:00 p.m. (Toronto time) on September 15, 2017, should communicate as soon as possible with their broker or other intermediary for more information. It is recommended that this be done well in

advance of the deadline in order to provide the broker or other intermediary with time to complete the necessary steps. Any notices received after this deadline will not be valid.

Subject to the terms and conditions of the Series C Shares and Series D Shares and AltaGas' right to redeem such shares, holders of the Series C Shares and the Series D Shares will have the opportunity to convert their shares again on September 30, 2022, and every five years thereafter as long as the Series C and Series D Shares remain outstanding.

AltaGas is an energy infrastructure company 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", "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 payment of dividends, right to convert Series C and Series D shares and on what terms and in the interest rate(s) applicable in respect thereof, 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.