

ALTAGAS LTD. REACHES SETTLEMENT AGREEMENT WITH STAFF OF THE MICHIGAN PUBLIC SERVICE COMMISSION FOR SEMCO ACQUISITION

Calgary, Alberta (May 10, 2012)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.R) announced today that it has reached a settlement agreement with the staff of the Michigan Public Service Commission ("MPSC") with respect to its acquisition of SEMCO Holding Corporation ("SEMCO"). The settlement agreement is subject to final approval by the MPSC.

AltaGas previously announced the proposed acquisition of SEMCO on February 1, 2012, subject to receipt of all regulatory approvals. 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. SEMCO also indirectly holds a regulated natural gas distribution utility and an interest in an unregulated natural gas storage facility in Michigan.

The process for obtaining regulatory approval from the Regulatory Commission of Alaska is progressing with a hearing date scheduled for May 30, 2012.

Closing of the transaction is expected in third quarter 2012 after receipt of all regulatory approvals.

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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