AltaGas

NEWS RELEASE
ALTAGAS LTD. REPORTS 2015 FOURTH QUARTER AND YEAR END RESULTS

Calgary, Alberta (February 25, 2016)

2015 Highlights
(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

- A record $582 million in normalized EBITDA in 2015, a 7 percent increase compared to 2014;
- Increased common share dividend by 12 percent to $1.98 per share annually;
- Acquired 687 MW of natural gas-fired generation in the western United States, growing AltaGas' power portfolio by 50 percent to over 2,000 megawatts;
- Safely commissioned the 66-MW McLymont Creek Hydroelectric Facility;
- Successfully completed the first full year of operations at Forrest Kerr and Volcano Creek Hydroelectric Facilities;
- Commenced construction of the 198 Mmcf/d Townsend shallow-cut processing facility; and
- Significantly advanced the development of the Canadian west coast Ridley Island Propane Export Terminal.

AltaGas Ltd. (AltaGas) (TSX:ALA) today reported normalized EBITDA in 2015 increased $36 million to $582 million, compared to 2014. Normalized funds from operations were $470 million ($3.41 per share) for 2015, compared to $472 million ($3.72 per share) in 2014. Normalized net income was $140 million ($1.02 per share) for 2015, compared to $165 million ($1.30 per share) in 2014.

"We achieved growth in normalized EBITDA and strengthened our competitive position as a leading North American energy infrastructure company notwithstanding the challenging economic environment," said David Cornhill, Chairman and CEO of AltaGas. "With our highly contracted and regulated energy infrastructure portfolio we expect approximately 20 percent growth in normalized EBITDA in 2016, with half of it coming from the U.S. Approximately 75 percent of total 2016 normalized EBITDA is expected to be from our Utilities and contracted Power business segments. With strong cash flows and a solid balance sheet, we are well positioned to continue delivering shareholder value."

Earnings for 2015 were driven by strong performance in AltaGas' Power and Utilities segments. Power benefited from full year contributions from the Forrest Kerr and Volcano Creek Hydroelectric Facilities, the addition of western U.S. natural gas-fired generation assets, and stronger performance at Blythe Energy Center. The Utilities segment benefited from continued rate base and customer growth. Earnings also benefited from favourable foreign exchange rates on U.S. business results. These increases were partially offset by the impact of lower contributions from Alberta power assets and warmer weather at certain Utilities. Results in the Gas segment were lower due to lower earnings from Petrogas Energy Corp. (Petrogas), lower sales of natural gas liquids, pipeline curtailments downstream of certain AltaGas processing facilities and turnarounds at the Younger and Harmattan extraction facilities in the second quarter of 2015.

Normalized funds from operations for 2015 were comparable to 2014, despite having received lower dividend payments from Petrogas and incurring higher current income tax expense. A dividend of $54 million was received from Petrogas in 2014 compared to $11 million in 2015.

Fourth quarter 2015 normalized EBITDA was $173 million, compared to $155 million in the fourth quarter of 2014, driven by the Northwest Hydroelectric Facilities and the addition of the U.S. natural gas-fired generation assets acquired in 2015. The stronger US dollar also benefited results. These increases were partially offset by lower commodity prices, and warmer weather at certain Utilities.

Normalized funds from operations were $159 million ($1.09 per share) in the fourth quarter of 2015, up from $154 million ($1.15 per share) in the fourth quarter of 2014. The increase was driven by the increase in normalized EBITDA, partially offset by lower cash distributions from AltaGas' equity accounted investments and higher current income tax expense.

Normalized net income was $56 million ($0.38 per share) in the fourth quarter of 2015, compared to $48 million ($0.36 per share) in the fourth quarter of 2014.

AltaGas continues to progress on its integrated northeast British Columbia strategy. Construction is approximately 75 percent complete at the new 198 Mmcf/d Townsend shallow-cut processing facility, which is underpinned by a 20-year take-or-pay commitment from Painted Pony Petroleum Ltd. The Townsend facility is on track to be in service by mid-2016. Development of a liquids separation and handling facility near Fort St. John, which will provide value-added services for producers in the Montney region, also continues to progress. The current specifications for the site are expected to include up to 20,000 Bbls/d of liquids separation and up to 20,000 Bbls/d of stabilized condensate handling. The site is well connected by rail to Canada's west coast, including to AltaGas' proposed Ridley Island Propane Export Terminal, and North American markets. Consultations with First Nations and key stakeholders continue and AltaGas expects to receive permits to reach a final investment decision in 2016.

On propane exports, AltaGas signed a sublease and related agreements with Ridley Terminals Inc. (Ridley Terminals) to develop, build, own and operate the Ridley Island Propane Export Terminal located near Prince Rupert, British Columbia on a portion of lands leased by Ridley Terminals from the Prince Rupert Port Authority. The facility will be designed to ship up to 1.2 million tonnes of propane per annum and 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. AltaGas is working towards reaching a final investment decision in 2016 with commercial propane exports targeted for 2018, subject to First Nations consultations and necessary approvals. On February 11, 2016, AltaGas filed an application with the National Energy Board for a 25-year propane export license.

The DC LNG Consortium, comprised of AltaGas Idemitsu Joint Venture Limited Partnership (AIJVLP), EDF Trading Limited (EDFT) and EXMAR NV (EXMAR), announced today its decision to halt development of the DC LNG project due to adverse economic conditions and worsening global energy price levels.

In 2016, AltaGas expects to benefit from a full year contribution from the McLymont Creek Hydroelectric Facility and the Tracy, Hanford and Henrietta natural gas-fired generation facilities acquired in November 2015, plus a partial year contribution from the Townsend facility.

AltaGas maintains financial strength and flexibility, an investment grade credit rating, and ready access to capital markets. AltaGas has solid cash flow coming from its diversified base businesses and Dividend Reinvestment Plan (DRIP). 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 approximately $293 million in cash and $987 million available on its credit facilities at the end of 2015. Over 90 percent of AltaGas' customers are investment grade, and within AltaGas' Gas segment, approximately two thirds have investment grade credit ratings.

On a U.S. GAAP basis, AltaGas reported net income applicable to common shares of $10 million ($0.07 per share) in 2015, compared to $96 million ($0.75 per share) in 2014. Total normalizing adjustments in 2015 were $130 million (2014 - $69 million). Net income applicable to common shares for the year ended 2015 was normalized for unrealized gain on risk management contracts, loss on long-term investments, provisions on assets and investments accounted for by equity method, development costs incurred for energy export projects, transaction costs related to acquisitions and statutory tax rate changes. In 2014, net income applicable to common shares was normalized for unrealized gain on risk management contracts, loss on long-term investments, provisions on assets, costs associated with early redemption of medium-term notes, development costs incurred for energy export projects and gain on asset dispositions.

On a U.S. GAAP basis, fourth quarter 2015 net loss applicable to common shares was $54 million ($0.37 per share), compared to income of $10 million ($0.08 per share) for the same period in 2014. Net loss applicable to common shares for the fourth quarter of 2015 includes the impact of a $114 million after-tax provision related to AltaGas' investment in common shares of Painted Pony Petroleum Ltd., investment in ASTC Power Partnership, investment in its joint ventures with Idemitsu Kosan Co.,Ltd. and the Douglas Channel LNG project, certain wind development projects, certain gas processing assets that were held for sale, and AltaGas' one third interest in Inuvik Gas Ltd. and assets in the Ikhil Joint Venture.

Monthly Common Share Dividend and Quarterly Preferred Share Dividends

- The Board of Directors approved a dividend of $0.165 per common share. The dividend will be paid on April 15, 2016, to common shareholders of record on March 28, 2016. The ex-dividend date is March 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 December 31, 2015 and ending March 30, 2016, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016;
- The Board of Directors approved a dividend of $0.19269 per share for the period commencing December 31, 2015 and ending March 30, 2016, on AltaGas' outstanding Series B Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016;
- The Board of Directors approved a dividend of US$0.275 per share for the period commencing December 31, 2015 and ending March 30, 2016, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016;
- The Board of Directors approved a dividend of $0.3125 per share for the period commencing December 31, 2015, and ending March 30, 2016, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016;
- The Board of Directors approved a dividend of $0.296875 per share for the period commencing December 31, 2015, and ending March 30, 2016, on AltaGas' outstanding Series G Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016; and
- The Board of Directors approved a dividend of $0.46387 per share for the period commencing November 23, 2015, and ending March 30, 2016, on AltaGas' outstanding Series I Preferred Shares. The dividend will be paid on March 31, 2016 to shareholders of record on March 16, 2016. The ex-dividend date is March 14, 2016.

CONSOLIDATED FINANCIAL REVIEW

($ millions)	Three Months Ended December 31, **2015**	2014	Years Ended December 31, **2015**	2014
Revenue	**580**	667	**2,193**	2,406
Net revenue[1]	**216**	286	**996**	1,019
Normalized operating income[1]	**111**	105	**359**	366
Normalized EBITDA[1]	**173**	155	**582**	546
Net income (loss) applicable to common shares	**(54)**	10	**10**	96
Normalized net income[1]	**56**	48	**140**	165
Total assets	**10,100**	8,396	**10,100**	8,396
Total long-term liabilities	**4,949**	4,058	**4,949**	4,058
Net additions to property, plant and equipment	**732**	144	**1,150**	503
Dividends declared[2]	**72**	59	**260**	215
Cash flows				
Normalized funds from operations[1]	**159**	154	**470**	472

($ per share, except shares outstanding)	Three Months Ended December 31, **2015**	2014	Years Ended December 31, **2015**	2014
Normalized EBITDA[1]	**1.19**	1.16	**4.22**	4.31
Net income (loss) per common share - basic	**(0.37)**	0.08	**0.07**	0.75
Net income (loss) per common share - diluted	**(0.37)**	0.08	**0.07**	0.74
Normalized net income[1]	**0.38**	0.36	**1.02**	1.30
Dividends declared[2]	**0.50**	0.44	**1.89**	1.69
Cash flows				
Normalized funds from operations[1]	**1.09**	1.15	**3.41**	3.72
Shares outstanding - basic (millions)				
During the period[3]	**146**	134	**138**	127
End of period	**146**	134	**146**	134

(1) Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of this news release.

(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 today at 9:00 a.m. MT (11:00 a.m. ET) to discuss 2015 fourth quarter and year-end financial results, progress on construction projects and other corporate developments.

Members of the investment community and other interested parties may dial (416) 340-2219 or call toll free at 1-866-225-6564. 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 2531093. The replay will expire at midnight (Eastern) on March 3, 2016.

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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FORWARD LOOKING INFORMATION

The audited annual consolidated financial statements and annual Management's Discussion and Analysis (MD&A) prepared in accordance with United States generally accepted accounting principles are expected to be filed on SEDAR on or about March 2, 2016, at which time a press release to that effect will be issued. The material will also be available on the AltaGas website on that same day at www.altagas.ca.

This news release contains forward-looking statements. When used in this news release the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "estimate", "forecast", "expect", "project", "target", "potential" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements.

In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, expectations regarding growth in EBITDA including sources of growth and exposure of growth to commodity prices, expectations regarding operating income, expectations regarding cash flow, expectations relating to the Townsend Facility and related projects including progress of construction, expected costs, expected in service date, impact on earnings, capacity and connection capability of egress lines with Townsend Facility and truck terminal; expectations relating to the development of the northeast British Columbia Liquids Separation Facility including connection capability to rail, existing AltaGas infrastructure and the Ridley Island Propane Export Terminal, facility specifications, cost and timing of final investment decision, expectations relating to the development of the Ridley Island Propane Export Terminal including, design, capacity, location, connection capabilities to rail and marine jetty and timing of final investment decision and commercial propane export, expectations with respect to the Alton Natural Gas Storage Project including expected natural gas storage capacity and timing of completion of construction and in service date, expectations regarding access to capital and sources of capital, expectations regarding capital spending, expected dividends, results of operations, 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 and seasonality impacts, expected impact on earnings of dispositions of non-core gas assets, expectations regarding Petrogas including plans for growth and earnings, expectations regarding commodity prices and commodity hedging, expectations regarding the US dollar, expected earnings from the utilities segment including from SEMCO Gas as a result of its Main Replacement Program, expectations for rate base and customer growth in the utilities segment, performance, capital expenditures, results of operations, business projects, 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.

Additional information relating to AltaGas can be found on its website at www.altagas.ca and on SEDAR at www.sedar.com.