

ALTAGAS REPORTS THIRD QUARTER RESULTS

Calgary, Alberta (October 30, 2014)

Highlights

- \$16.6 million in normalized net income and \$104.9 million in normalized EBITDA;
- \$79.9 million in normalized funds from operations;
- Commissioned Forrest Kerr, the largest project in AltaGas' history; and
- 15-year strategic alliance signed with Painted Pony Petroleum Ltd.

AltaGas Ltd. ("AltaGas") (TSX:ALA) today reported third quarter normalized net income of \$16.6 million (\$0.13 per share), compared to \$24.7 million (\$0.21 per share) in the same period 2013. Normalized EBITDA was \$104.9 million for the third quarter 2014, compared to \$103.5 million for the same period 2013. Normalized funds from operations were \$79.9 million (\$0.63 per share) for the third quarter 2014, compared to \$80.2 million (\$0.68 per share) for the same period 2013.

"We continue to deliver on our growth plans and have built out a very competitive service offering to connect producers from well head to new markets through energy exports," said David Cornhill, Chairman and CEO of AltaGas. "The strategic alliance we signed with Painted Pony in the quarter is a direct result and we continue to discuss opportunities with other producers. In October we also reached a significant milestone as we completed Forrest Kerr, the largest project in our history."

In the third quarter, earnings and cash flow were driven primarily by higher natural gas volumes processed, ownership of Petrogas, and small contributions from Forrest Kerr. These positive earnings contributions in the quarter were more than offset by the lower contribution from Alberta power assets, compared to the third quarter 2013.

On a GAAP basis, net income applicable to common shares was \$16.6 million (\$0.13 per share) for the three months ended September 30, 2014, compared to \$43.3 million (\$0.36 per share) for the same period 2013. Third quarter 2013 included one-time after-tax net gains related to assets of \$18.7 million.

In the third quarter, AltaGas signed definitive agreements with Painted Pony Petroleum Ltd. to enter into a 15-year strategic alliance for the development of processing infrastructure and marketing services for natural gas and natural gas liquids. In the first phase of the strategic alliance, AltaGas plans to construct and operate the Townsend Facility, a 198 Mmcf/d shallow-cut gas processing facility in the Montney area. Painted Pony will maintain the right to a minimum 150 Mmcf/d of firm capacity in the Townsend Facility.

For the nine months ended September 30, 2014, normalized net income increased to \$117.0 million compared to \$116.0 million for the same period in 2013. Normalized earnings per share were \$0.94 compared to \$1.02 per share for the same period in 2013. Normalized funds from operations increased 13 percent to \$315.6 million (\$2.54 per share), compared to \$279.3 million (\$2.45 per share) for the same period in 2013. Normalized EBITDA increased 10 percent to \$391.6 million compared to \$355.6 million for the same period in 2013.

On a GAAP basis, net income applicable to common shares was \$85.4 million (\$0.69 per share) for the nine months ended September 30, 2014, compared to \$128.2 million (\$1.12 per share) for the same period 2013. Net income applicable to common shares for the nine months ended September 30, 2014 was normalized for provisions taken for certain assets, impact from the sale of non-core assets, unrealized gain or loss on risk management contracts, unrealized gain or loss on long-term investments, the cost of early redemption of medium-term notes, and costs incurred for the energy export projects. Net income applicable to common shares for nine months ended September 30, 2013 was normalized for similar one-time items as in year-to-date 2014, excluding the costs associated with the early redemption of medium-term notes in 2014, as well as the impact of statutory tax rate changes in 2013.

Northwest Run-of-River Projects

On July 30, 2014, AltaGas announced the start-up of its 195 MW Forrest Kerr run-of-river hydro project. Commissioning of the powerhouse systems and high voltage switchyard were completed in July and the facility was tied-in and started delivering power to the Northwest Transmission Line (NTL). Significant transmission line constraints on the NTL combined with a flooding event on the Iskut River led to delays in contractual Commercial Operations Date (COD) for Forrest Kerr. The final test runs for COD were initiated on October 16, 2014. A number of online electrical and system functional checks were then performed and a certificate of COD was delivered to BC Hydro on October 21, 2014.

At the 16 MW Volcano Creek project, construction continues to pace ahead of schedule. Major construction is complete and final commissioning is well underway. The project is on track to be in service in the fourth quarter 2014.

At the 66 MW McLymont Creek project, construction of the powerhouse foundation continues to advance ahead of schedule. Installation of the turbines is underway and excavation of the 2,800 meter power tunnel is approximately 90 percent complete. Construction of the intake access road is nearing completion and intake construction is expected to commence in November. The project is expected to be in service in mid-2015.

Energy Exports

AltaGas continues to advance its Liquefied Petroleum Gas (LPG) export initiatives. AltaGas is operating Petrogas' Ferndale facility in the State of Washington, which sent two cargoes of LPG to Asia in the third quarter. Export capacity at the Ferndale facility is expected to ramp up to 30,000 Bbls/d over the next several years.

AltaGas Idemitsu Joint Venture Limited Partnership (AIJVLP) continues to make progress on building an LPG export business off Canada's west coast for an additional 30,000 Bbls/d. AIJVLP has been in active negotiations for potential site locations.

In addition to LPG, AIJVLP is working with various parties to support the Companies' Creditors Arrangement Act (CCAA) Plan of Arrangement proceedings for the Douglas Channel LNG project. On October 29, 2014, the Supreme Court of British Columbia (the "Court") approved the Plan of Arrangement for filing and distribution to creditors.

Creditors are to review the Plan of Arrangement and vote on it. With a positive vote, the Plan of Arrangement will proceed to be sanctioned by the Court and become effective thereafter, upon satisfying other conditions prescribed in the Plan of Arrangement including finalization of transaction documents and approval of the PNG agreement from the British Columbia Utilities Commission.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board of Directors approved the November 2014 dividend of \$0.1475 per common share. The dividend will be paid on December 15, 2014, to common shareholders of record on November 25, 2014. The ex-dividend date is November 21, 2014. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board of Directors approved a dividend of \$0.3125 per share for the period commencing October 1, 2014, and ending December 31, 2014, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on December 31, 2014 to shareholders of record on December 16, 2014. The ex-dividend date is December 12, 2014;
- The Board of Directors approved a dividend of US\$0.275 per share for the period commencing October 1, 2014, and ending December 31, 2014, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on December 31, 2014 to shareholders of record on December 16, 2014. The ex-dividend date is December 12, 2014;
- The Board of Directors also approved a dividend of \$0.3125 per share for the period commencing October 1, 2014, and ending December 31, 2014, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on December 31, 2014 to shareholders of record on December 16, 2014. The ex-dividend date is December 12, 2014; and
- The Board of Directors also approved a dividend of \$0.296875 per share for the period commencing October 1, 2014, and ending December 31, 2014, on AltaGas' outstanding Series G Preferred Shares. The dividend will be paid on December 31, 2014 to shareholders of record on December 16, 2014. The ex-dividend date is December 12, 2014.

CONSOLIDATED FINANCIAL REVIEW

<i>(unaudited)</i> <i>(\$ millions)</i>	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenue	444.2	389.7	1,739.2	1,461.8
Net revenue ⁽¹⁾	217.4	246.6	733.9	695.6
Normalized operating income ⁽¹⁾	59.3	63.5	260.9	240.7
Normalized EBITDA ⁽¹⁾	104.9	103.5	391.6	355.6
Net income applicable to common shares	16.6	43.3	85.4	128.2
Normalized net income ⁽¹⁾	16.6	24.7	117.0	116.0
Total assets	8,142.0	6,722.5	8,142.0	6,722.5
Total long-term liabilities	3,990.2	3,368.0	3,990.2	3,368.0
Net additions to property, plant and equipment	200.9	85.6	422.6	921.2
Dividends declared ⁽²⁾	56.2	45.1	155.2	126.9
Cash flows				
Normalized funds from operations ⁽¹⁾	79.9	80.2	315.6	279.3
<i>(\$ per share, except shares outstanding)</i>	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Normalized EBITDA ⁽¹⁾	0.83	0.87	3.15	3.12
Net income - basic	0.13	0.36	0.69	1.12
Net income - diluted	0.13	0.35	0.68	1.09
Normalized net income ⁽¹⁾	0.13	0.21	0.94	1.02
Dividends declared ⁽²⁾	0.44	0.38	1.25	1.11
Cash flows				
Normalized funds from operations ⁽¹⁾	0.63	0.68	2.54	2.45
Shares outstanding - basic (millions)				
During the period ⁽³⁾	127.1	118.7	124.3	114.1
End of period	133.1	118.9	133.1	118.9

⁽¹⁾ Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of the third quarter 2014 MD&A.

⁽²⁾ Dividends declared per common share per month of \$0.12 beginning September 10, 2012, \$0.125 beginning April 24, 2013, \$0.1275 beginning July 31, 2013, and \$0.1475 beginning on May 26, 2014.

⁽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 third quarter financial results, progress on construction projects and other corporate developments.

Members of the media, investment communities and other interested parties may dial (416) 340-8527 or call toll free at 1-866-852-2121. 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 4662646. The replay expires at midnight (Eastern) on November 6, 2014.

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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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, 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.