

ALTAGAS AND PACIFIC NORTHERN GAS ANNOUNCE SHAREHOLDER AND COURT APPROVALS FOR ACQUISITION OF PNG

Calgary, Alberta and Vancouver, British Columbia (December 14, 2011)

AltaGas Ltd. (“AltaGas” or the “Corporation”) (TSX: ALA; ALA.PR.A) and Pacific Northern Gas Ltd. (“PNG”) (TSX: PNG) today announced shareholder and court approval of the acquisition of all of the issued and outstanding common shares of PNG by AltaGas. The transaction is pending federal regulatory approval.

The proposed transaction was approved by over 99 percent of PNG shareholders voting in person or represented by proxy at a special meeting held on December 12, 2011. The arrangement was approved by the British Columbia Utilities Commission on November 23, 2011, and the Supreme Court of British Columbia on December 13, 2011. In accordance with the arrangement and pending federal regulatory approval, AltaGas Utility Holdings (Pacific) Inc., an indirect wholly-owned subsidiary of AltaGas, will acquire all of the issued and outstanding common shares of PNG for consideration of \$36.75 per common share.

Registered holders of PNG common shares, who have not already submitted a completed letter of transmittal, together with their share certificates, to Computershare Investor Services Inc., in its capacity as depository under the arrangement, should do so at their earliest convenience. Payment to shareholders will be made following receipt of such documents. If your PNG common shares are registered in the name of a nominee, you should contact that nominee for instructions and assistance in delivering certificates to the depository.

Upon closing of the acquisition, PNG’s common shares are expected to be delisted from the Toronto Stock Exchange within three business days.

Not for distribution to U.S. newswire services or for dissemination in the United States.

About Pacific Northern Gas Ltd.

Headquartered in Vancouver, British Columbia, PNG (TSX: PNG/PNG.PR.A) owns and operates natural gas transmission and distribution systems. PNG’s western transmission line extends from the Spectra Energy gas transmission system north of Prince George to tidewater at Kitimat and Prince

Rupert, and provides service to 12 communities and a number of industrial facilities. In the northeast, PNG's subsidiary Pacific Northern Gas (N.E.) Ltd. provides gas distribution service in the Dawson Creek, Fort St. John and Tumbler Ridge areas. Further information is available on PNG's website at: www.png.ca.

About AltaGas Ltd.

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.

AltaGas' regulated utilities serve end-users in Alberta, Nova Scotia and Inuvik, Northwest Territories. The Utility business is comprised of 100 percent interests in AltaGas Utilities Inc. (AUI), the Alberta utility business and Heritage Gas, the Nova Scotia utility business, a one-third interest in Inuvik Gas Ltd. (Inuvik Gas) and a 33.3335 percent interest in the Ikhil Joint Venture (Ikhil). 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 PNG or their affiliates, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, the anticipated receipt of regulatory approvals, the closing of the transaction, 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' or PNG's 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' or PNG's public disclosure documents. Many factors could cause AltaGas' or PNG's 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. Furthermore, there is no assurance that regulatory approvals will be received or that the transaction will close. Such statements speak only as of the date of this news release. Neither AltaGas nor PNG intends, 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.

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

Investor Inquiries:
Kevin Teitge
Vice President, Corporate Development
& Treasurer
(604) 691-5689

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

Media Inquiries:
Greg Weeres, P.Eng.
Vice President, Operations & Engineering
(604) 691-5677