

ALTAGAS ADVANCES ITS CANADIAN WEST COAST PROPANE EXPORT FACILITY

Calgary, Alberta (January 20, 2016)

AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that a sublease and related agreements have been signed with Ridley Terminals Inc. ("Ridley Terminals") to develop, build, own and operate the proposed Ridley Island Propane Export Terminal (the "Facility"), to be located on Ridley Island near Prince Rupert, British Columbia on a portion of lands leased by Ridley Terminals from the Prince Rupert Port Authority (the "Port"). The agreements are an important first step for beginning the regulatory and engagement phases of the project.

The proposed Facility will be designed to ship up to 1.2 million tonnes of propane per year and will be constructed by AltaGas. It will be built on a brownfield site with a history of industrial development, connections to existing rail lines and an existing world class marine jetty with deep water access to the Pacific Ocean. Propane from British Columbia and Alberta natural gas producers will be transported to the Facility using the existing CN rail network.

"We are very excited about the opportunities presented by the Ridley Island Propane Export Terminal," said David Cornhill, Chairman and CEO of AltaGas. "We anticipate this Facility will be the first to export propane from British Columbia's west coast, opening up new international markets for natural gas producers in Western Canada. We look forward to working closely with First Nations, governments, the community and other stakeholders to bring this project into operation."

"Ridley Terminals is encouraged by this concrete step to diversify products shipped from our facilities while sustaining and creating new jobs in the community," said David Kirsop, Chief Operating Officer and President of Ridley Terminals.

"This project aligns with the type of growth and diversification envisioned in the Port's development plan, with the potential to advance Prince Rupert's support of Canadian export industries through our trade gateway," said Don Krusel, President and CEO of the Port of Prince Rupert.

Preliminary engineering has been completed and the front end engineering and design study has begun. The process of engaging and consulting with First Nations, communities, government, and environmental and regulatory authorities is underway. AltaGas is working towards reaching a final investment decision in 2016. Commercial operation to commence propane exports is targeted for 2018, subject to First Nations consultations and necessary approvals. The Facility is estimated to cost between \$400 - \$500 million.

AltaGas owns or has an interest in six large natural gas processing facilities in British Columbia and Alberta that safely produce propane, and operates a similar propane export facility in Ferndale, Washington. AltaGas has a long-

standing history of building trust and treating stakeholders with respect in the communities where it develops and operates projects.

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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