AltaGas **News Release**

ALTAGAS LTD. ANNOUNCES ACQUISITION OF US NATURAL GAS-FIRED GENERATION FACILITIES FOR US$642 MILLION, DIVIDEND INCREASE AND $300 MILLION COMMON SHARE OFFERING

Calgary, Alberta (September 21, 2015)

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AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that it and its indirect wholly owned subsidiary AltaGas Power Holdings (U.S.) Inc. have entered into a purchase and sale agreement with Highstar Capital IV, L.P. and certain of its affiliates to acquire GWF Energy Holdings LLC, which holds a portfolio of three natural gas-fired electrical generation facilities in northern California totalling 523 MW (the “Acquisition”), including the 330 MW Tracy facility, the 97 MW Hanford facility and the 96 MW Henrietta facility (collectively the "Facilities"). The purchase price of the Acquisition is US$642 million, subject to certain closing adjustments.

The Acquisition is expected to add approximately $95 million in incremental contracted EBITDA per year, to be over 5 percent accretive to cash flow per share and to be modestly accretive to earnings per share in 2016, the first full year of ownership.

AltaGas also announced today an increase of $0.005 per share in its common share dividend to $0.165 on a monthly basis ($1.98 per share annualized). The increase, along with the previous increase announced in April, results in a 12 percent increase to AltaGas’ common share dividend in 2015. The dividend increase will be effective for the October dividend, payable in November.

AltaGas’ diversified portfolio of energy infrastructure assets across North America delivers low-risk and stable cash flows. With the strong cash flow from its regulated utilities, highly contracted power assets, and from its contracted gas processing assets, AltaGas provides investors with a stable and sustainable dividend. AltaGas expects to maintain its conservative targeted payout ratio of 40 – 50 percent of funds from operations.

"Having a diversified energy infrastructure business across North America gives us more opportunities for growth and for creating shareholder value,” said David Cornhill, Chairman and CEO of AltaGas. “The acquisition of these power facilities is an important addition to our business. Each asset has a power purchase agreement that will further enhance AltaGas’ stable earnings and cash flow.”

In connection with the Acquisition, AltaGas has entered into an agreement with a syndicate of underwriters, co-led by TD Securities Inc. and BMO Capital Markets as joint bookrunners, under which the underwriters have agreed to purchase from AltaGas and sell to the public 8,760,000 common shares at $34.25 per common share (the "Offering").

The sale of the common shares will result in gross proceeds of approximately $300 million, or approximately $345 million if the Over-Allotment Option defined and described below is exercised in full.

Investment Highlights

Strategic Fit

- The Acquisition fits with AltaGas' vision of being one of North America's leading energy infrastructure companies and aligns with AltaGas' strategy of adding stable, long life assets;
- The Acquisition aligns with AltaGas' diverse energy infrastructure which provides growth opportunities across all its businesses in North America;
- The Acquisition is consistent with AltaGas' strategy of increasing its clean energy portfolio by adding gas-fired electrical generation and enhancing power market and counterparty diversity; and
- The Facilities diversify AltaGas' power position in California as they are located in Northern California while the majority of AltaGas' existing California power generation infrastructure is located in Southern California which has different market characteristics, including customers, competitors and pricing.

Stable Cash Flows

- AltaGas' stable cash flow comes from its regulated utilities, highly contracted power assets, and from its contracted gas processing assets;
- It is expected that the Acquisition will further enhance AltaGas' stable cash flows to provide additional support to both AltaGas' dividend and capital growth projects in the United States and Canada; and
- Cash flows from the Facilities are underpinned by PPAs with PG&E for approximately the next seven years and the Facilities are well positioned upon expiry of the PPAs given the need to back-stop renewables.

Description of the Facilities

The Facilities include three natural gas-fired power electrical generation facilities located in California's San Joaquin Valley. The Tracy facility, a 330 MW combined cycle facility is recognized for reliability, flexible cycling ability and competitive start costs. The 97 MW Hanford and 96 MW Henrietta facilities are two flexible peaking facilities with quick-start capabilities. Located in resource constrained areas, the Facilities provide reliable backup to numerous intermittent resources located in close proximity.

The Facilities are fully contracted under Power Purchase Agreements ("PPAs") through to the fourth quarter of 2022 with Pacific Gas & Electric Company ("PG&E"). The PPAs are structured as tolling arrangements for 100 percent of the energy, capacity and ancillary services.

Tracy's existing interconnection with PG&E for natural gas supply allows for avoidance of incremental transportation charges resulting in a cost advantage for the facility. Hanford and Henrietta are connected to the Southern California Gas system for natural gas supply. All Facilities are connected to the PG&E transmission system.

The Facilities are well-positioned to benefit from California's evolving need for flexible capacity. The Tracy facility utilizes GE 7EA technology, which is proven, reliable and versatile, along with enhancements including duct firing and state of the art control systems. The Hanford and Henrietta facilities employ GE LM6000 technology and are remotely operated from the Tracy facility. Technology backing up the Hanford and Henrietta facilities is fast, reliable and flexible and has the ability to reach 80 percent of capacity in 10 minutes and full power up in 14 minutes.

Acquisition Funding

AltaGas expects the cash to close the Acquisition will be provided from a combination of equity and debt, specifically from: (i) a portion of the proceeds of the Offering; (ii) AltaGas' existing credit facilities; (iii) future debt and preferred share financings; and (iv) potential dispositions of non-core assets.

The Acquisition will be financed consistent with AltaGas' current capital structure. AltaGas will continue to maintain its strong balance sheet and financial discipline and is committed to maintaining its investment grade credit rating.

Transaction Closing

The transaction is subject to customary approvals, including regulatory approvals from the Federal Energy Regulatory Commission of the United States government and the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The acquisition is expected to close late in the fourth quarter of 2015.

Common Equity Offering

Pursuant to the Offering, AltaGas has agreed to sell, on a bought deal basis, an aggregate of 8,760,000 common shares at a price of $34.25 per common share (the "Offering Price") for gross proceeds of approximately $300 million. The common shares will be offered through a syndicate of underwriters co-led by TD Securities Inc. and BMO Capital Markets as joint bookrunners. AltaGas has also granted the underwriters an option to purchase, in whole or part, up to an additional 1,314,000 common shares at the Offering Price to cover over-allotments, if any, for a period of 30 days following the closing of the Offering (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, gross proceeds from the Offering will be approximately $345 million.

The Offering will be used, in part, to fund the Acquisition as well as to reduce indebtedness and for general corporate purposes.

The common shares will be offered in all provinces of Canada by way of a supplement under AltaGas' base shelf prospectus. The Offering is subject to the receipt of all necessary regulatory and stock exchange approvals. Closing of the Offering is expected to occur on or about September 30, 2015.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the Offering has been qualified for distribution. The common shares offered are not, and will not be, registered under the securities laws of the United States of America, nor any State thereof, and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

All references to dollar amounts contained herein are to Canadian dollars unless otherwise indicated.

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, the anticipated benefits of the Acquisition, including its strategic fit and contribution to cash flows, its anticipated contribution to EBITDA and earnings per share, the manner of funding the Acquisition, the closing of the Offering, the use of proceeds of the Offering, 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.