



NEWS RELEASE

ALTAGAS SIGNS PROCESSING AGREEMENT WITH NOVA CHEMICALS ON HARMATTAN CO-STREAM PROJECT

Calgary, Alberta (March 4, 2011) – AltaGas Ltd. ("AltaGas") (TSX: ALA) today announced that it has entered into a definitive agreement with NOVA Chemicals Corporation ("NOVA Chemicals") for the Harmattan Co-stream Project. The processing agreement is for an initial term of 20 years and has AltaGas deliver all liquids or co-stream gas products on a full cost-of-service basis to NOVA Chemicals. The agreement provides that all capital expenditures and operating costs related to the proposed project will be fully recovered through fees under normal operations.

"We're pleased to complete this agreement with NOVA Chemicals. It further optimizes our existing base business with long term, stable cash flows and supplies NOVA Chemicals, a leading Canadian plastics and chemical company, with an incremental steady and cost-effective stream of ethane and natural gas liquids," said David Cornhill, Chairman and Chief Executive Officer of AltaGas Ltd.

The Co-stream Project will allow 250 million cubic feet per day (Mmcf/d) of rich, sweet natural gas sourced from the NGTL Western Alberta System to be processed using spare capacity at the Harmattan Complex to recover ethane and natural gas liquids. It will expand the availability of valuable feedstock for Alberta's petrochemical industry and retain extraction revenues and value in Alberta in an economical manner. The current throughput at the Harmattan Complex is approximately 150 Mmcf/d, or 30 percent of the 490 Mmcf/d licensed plant capacity.

"We are excited to complete this agreement with AltaGas," said Randy Woelfel, Chief Executive Officer of NOVA Chemicals. "It will give us additional feedstock to utilize in our existing Alberta capacity and to plan for future growth."

The Co-stream Project involves constructing and operating two new large-diameter high-pressure sweet natural gas pipelines and one small-diameter high vapour pressure product pipeline, as well as modifying existing equipment for processing gas at the complex. Construction of the project will take approximately 14 months to complete. The project is expected to commence operations in first quarter 2012. AltaGas expects the annual EBITDA contribution from this project to be in the range of \$20 million to \$25 million once completed. The capital cost estimate for the Co-stream Project is \$130 million.

AltaGas is one of Canada's largest and fastest growing energy infrastructure organizations. AltaGas creates value by acquiring, growing and optimizing gas and power infrastructure, including a focus on renewable energy sources. 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 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.

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