



NEWS RELEASE

ALTAGAS ANNOUNCES DIVIDEND INCREASE AND REPORTS THIRD QUARTER RESULTS

Calgary, Alberta (October 27, 2011) – AltaGas Ltd.'s ("AltaGas" or the "Corporation") (TSX: ALA) Board of Directors approved a five percent increase in the annual common share dividend rate to \$1.38 from \$1.32 per common share. The first monthly dividend payment of \$0.115 per common share is payable on or after December 15, 2011 to common shareholders of record at close of business on November 25, 2011.

"The dividend increase reflects the Board's confidence in our underlying business and the progress we have made on our major growth projects," said David Cornhill, Chairman and CEO of AltaGas. "We are committed to delivering superior economic returns to our shareholders by balancing income and growth. The increase underscores our ability to deliver growing and stable dividends."

AltaGas also reported net income applicable to common shares for third quarter 2011 of \$10.6 million (\$0.13 per share) compared to \$6.0 million (\$0.07 per share) for same period 2010. Normalizing for mark-to-market accounting and the impact of major turnarounds in the Gas business, net income applicable to common shares for the quarter was \$19.0 million (\$0.23 per share) compared to \$16.2 million (\$0.20 per share) in same quarter 2010.

On a cash flow basis, funds from operations for third quarter 2011 were \$45.9 million (\$0.55 per share), an 11 percent increase compared to \$41.5 million (\$0.51 per share) in third quarter 2010. EBITDA in third quarter 2011 was \$56.5 million (\$0.68 per share) compared to \$54.5 million (\$0.67 per share) in same period last year.

As previously disclosed, third quarter was impacted by the planned turnarounds at Harmattan and Younger. The quarter was also impacted by a maintenance outage at Sundance B in August. The financial impact from the Gas turnarounds was approximately \$6.0 million (pre-tax) and in Power \$3.0 million (pre-tax). In addition, during the quarter an unfavourable 30-day rolling average power price also resulted in lower operating income than would be expected given the significantly higher average spot power prices this quarter compared to the same quarter last year. In third quarter 2011, AltaGas also reported pre-tax unrealized mark-to-market losses of \$5.1 million compared to \$13.3 million in third quarter 2010.

"We had a very good quarter with the business delivering financial results that were higher than last year, even with three of our largest assets being impacted by planned maintenance outages in the quarter." said David Cornhill "Our businesses continue to deliver strong results and we are on track to exceed last year's operating results."

AltaGas continues to make great progress on the \$1.6 billion of capital projects under construction and construction ready. The first phase of the new Gordondale plant, the Henderson Pipeline, was completed on time and on budget and is expected to begin transporting gas in early November to the Pouce Coupe facility. Construction on the 120 Mmcf/d, Gordondale plant commenced this quarter with access road upgrade work complete and plant site clearing substantially complete. Applications are underway to add a 3.4 MW gas-fired peaking plant onsite. Major tie-ins for the Co-stream project and the 15 MW Cogeneration II project were completed during the turnaround at the Harmattan Complex that came back online on October 14, 2011. The Gordondale, Co-stream and Cogeneration II projects are on schedule for their expected in-service dates in 2012.

The Northwest Projects continue to gain momentum as AltaGas and the Tahlitan Central Council signed Impact Benefit Agreements (IBA) on September 28, 2011 for the McLymont Creek and Volcano Creek projects that will produce approximately 70 MW to 88 MW of hydroelectricity. Final discussions are underway with BC Hydro regarding Electricity Purchase Agreements (EPA) for the two projects. Tunneling is ahead of schedule at the, 195 MW, Forrest Kerr site, with the construction access tunnel complete and the main access tunnel 50 percent complete. Excavation of the power tunnel access portal and the headworks facility began in the quarter. All of the Corporation's major projects are on time and on budget.

FINANCIAL HIGHLIGHTS⁽¹⁾:

- Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$56.5 million (\$0.68 per share) for third quarter 2011, compared to \$54.5 million (\$0.67 per share) for same quarter 2010.
- Funds from operations were \$45.9 million (\$0.55 per share) for third quarter 2011, up from \$41.5 million (\$0.51 per share) for same period 2010.
- Net debt as at September 30, 2011 was \$1,049.3 million, compared to \$981.2 million at June 30, 2011 and \$902.4 million at December 31, 2010. AltaGas' debt-to-total capitalization ratio as at September 30, 2011 was 46.6 percent, versus 44.8 percent at June 30, 2011 and 42.7 percent as at December 31, 2010.
- In third quarter, AltaGas amended and extended the Utility Group's \$200 million unsecured, extendible revolving credit facility to four years with a new maturity date of November 17, 2015.
- On October 17, 2011, AltaGas issued \$200 million of senior unsecured medium term notes. The notes carry a coupon rate of 4.55 percent and mature on January 17, 2019.

⁽¹⁾ Includes Non-GAAP financial measures. See previous public disclosures available at www.altagas.ca or www.sedar.com for definitions

CONSOLIDATED FINANCIAL RESULTS

(unaudited) (\$ millions)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2011	2010	2011	2010
Revenue	369.6	297.4	1,141.1	991.9
Net revenue ⁽¹⁾	117.9	102.6	369.3	354.7
EBITDA ⁽¹⁾	56.5	54.5	193.7	174.5
Operating income ⁽¹⁾	33.4	32.6	126.1	105.6
Net income applicable to common shares	10.6	6.0	53.7	70.8
Adjusted net income ⁽¹⁾	14.6	16.2	72.3	76.0
Total assets	2,987.6	2,652.7	2,987.6	2,652.7
Total long-term liabilities	1,312.1	1,047.2	1,312.1	1,047.2
Net additions to capital assets	112.2	49.5	222.2	139.0
Dividends declared ⁽²⁾	27.6	29.2	82.4	29.2
Distributions declared ⁽³⁾	-	-	-	84.7
Cash flows				
Funds from operations ⁽¹⁾	45.9	41.5	156.6	137.1
Cash from operations	64.9	70.4	151.5	142.2

(\$ per share)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2011	2010	2011	2010
EBITDA ⁽¹⁾	0.68	0.67	2.33	2.15
Net income - basic	0.13	0.07	0.65	0.87
Net income - diluted	0.12	0.07	0.64	0.87
Adjusted net income ⁽¹⁾	0.17	0.20	0.87	0.94
Dividends declared ⁽²⁾	0.33	0.33	0.99	0.33
Distributions declared ⁽³⁾	-	-	-	1.08
Cash flows				
Funds from operations ⁽¹⁾	0.55	0.51	1.88	1.69
Cash from operations	0.78	0.86	1.82	1.75
Shares outstanding - basic (millions)				
During the period ⁽⁴⁾	83.6	81.7	83.2	81.3
End of period	83.8	82.2	83.8	82.2

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

⁽²⁾ Dividends declared of \$0.11 per common share per month commencing July 2010.

⁽³⁾ Distributions declared of \$0.18 per trust unit and exchangeable unit per month for the first six months of 2010.

⁽⁴⁾ 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 the third quarter 2011 financial and operating results and other general issues and developments concerning AltaGas.

Members of the investment community, media and other interested parties may dial (416) 340-2218 or call toll free at 1-866-226-1793. No pass code is required. Please note that the conference call will also be webcast. A live audio webcast will also be available at <http://www.gowebcasting.com/2931>

Shortly after the conclusion of the call, a replay will be accessible at (905) 694-9451 or 1-800-408-3053. The pass code is 3623410. The replay will expire at midnight (ET) on November 3, 2011. The webcast will be archived for one year.

The complete third quarter report for 2011, including Management's Discussion and Analysis and unaudited financial statements, is available on www.altagas.ca in the Investors/Financial Reporting section of its website.

AltaGas is an energy infrastructure business with a focus on natural gas, power and regulated utilities. The Corporation creates value by acquiring, growing and optimizing its energy 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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