AltaGas

NEWS RELEASE
ALTAGAS LTD. REPORTS FIRST QUARTER RESULTS

Calgary, Alberta (April 20, 2016)

(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

Highlights

- Normalized EBITDA of $178 million;
- Normalized funds from operations of $132 million;
- 198 Mmcf/d shallow cut Townsend Facility 85 percent complete, commissioning to begin mid-2016;
- Filed application with the B.C. Oil and Gas Commission for the North Pine liquids separation facility near Fort St. John;
- Initiated development of a Deep Basin liquids separation facility with commercial discussions underway;
- Entered into environmental review process for Ridley Island Propane Export Terminal;
- Acquired the remaining 51 percent interest in the Edmonton Ethane Extraction Plant (EEEP);
- Increased activity, including participating in both Request for Proposals (RFPs) and bilateral discussions with potential offtakers, for the existing Blythe Facility as well as the development of Blythe II (Sonoran); and
- North American power portfolio approximately 95 percent contracted with 100 percent of generation coming from clean energy sources.

AltaGas Ltd. (“AltaGas”) (TSX:ALA) today reported first quarter 2016 normalized EBITDA of $178 million, consistent with the same quarter of 2015. Normalized funds from operations were $132 million ($0.90 per share) for the first quarter 2016, compared to $140 million ($1.05 per share) in the same period 2015. Normalized net income was $38 million ($0.26 per share) for the first quarter 2016, compared to $57 million ($0.43 per share) in the same period of 2015.

“Our first quarter results keep us on track to deliver approximately 20 percent growth in normalized EBITDA and up to approximately 15 percent growth in normalized funds from operations for 2016. Our diverse energy infrastructure business across North America gives us opportunities for growth and for creating shareholder value,” said David Harris, President and CEO of AltaGas. “We continue to make good progress on our northeast British Columbia and energy export strategy, and we expect to see several potential RFPs coming forward in the western U.S. power markets. We fully expect to bring key projects to fruition this year.”

For the first quarter 2016, normalized EBITDA of $178 million was consistent with the first quarter of 2015. The acquisition of the three natural gas-fired generation facilities in Northern California (collectively, the San Joaquin Facilities) late in 2015 and the impact of the stronger US dollar on reported results of the U.S. assets contributed to normalized EBITDA growth of approximately $36 million. These increases were offset by significantly warmer weather experienced at all of the Utilities, the impact of record low Alberta power prices prior to the termination of the Power Purchase Arrangements for Sundance B units 3 and 4 (collectively, the Sundance B PPAs) as well as lower realized frac spreads.

Normalized funds from operations were $132 million ($0.90 per share) in the first quarter of 2016, compared to $140 million ($1.05 per share) in the first quarter of 2015. Normalized funds from operations were driven by the same factors as normalized EBITDA, partially offset by higher interest expense and increased contributions to AltaGas' equity accounted investments.

Normalized net income was $38 million ($0.26 per share) in the first quarter of 2016, compared to $57 million ($0.43 per share) in the first quarter of 2015. Normalized net income was impacted by higher depreciation and amortization expense mainly due to new assets placed into service or acquired and the impact of the strong US dollar. Normalized net income was also impacted by higher interest expense for the first quarter of 2016 compared to 2015 mainly due to the higher average debt outstanding and lower capitalized interest, partially offset by lower interest rates, and the impact of higher preferred share dividends.

As a result of the recent change in law regarding the Alberta Specified Gas Emitters Regulation, the ASTC Power Partnership exercised its right to terminate the Sundance B PPAs effective March 8, 2016. AltaGas continues to generate 65 megawatts in the Alberta power market. AltaGas' overall power portfolio now consists of 1,688 megawatts of clean natural gas-fired and renewable generation and is now approximately 95 percent contracted.

Effective January 1, 2016, AltaGas acquired the remaining 51 percent interest in EEEP for cash consideration of approximately $21 million, increasing its ownership interest to 100 percent. The acquisition ties strategically to AltaGas' energy export strategy.

On February 29, 2016, AltaGas completed the sale of certain non-core natural gas gathering and processing assets located primarily in central and north central Alberta totaling approximately 490 Mmcf/d of gross licensed natural gas processing capacity to Tidewater Midstream and Infrastructure Ltd. (Tidewater) for $30 million of cash and approximately 43.7 million common shares of Tidewater. The sale is part of AltaGas' strategy to focus on larger scale opportunities in the Gas segment that support the overall northeast British Columbia strategy. These non-core gas assets represented less than 2 percent of AltaGas' expected 2016 normalized EBITDA and a pre-tax gain of $4 million was recognized on the sale.

AltaGas recorded income tax expense of $6 million for the first quarter of 2016, compared to $30 million in the same quarter of 2015. The decrease was mainly due to the $10 million tax recovery related to the asset sale to Tidewater, and lower earnings in the first quarter of 2016.

Based on projects currently under review, development, or construction, AltaGas expects capital expenditures in the range of $550 to $650 million for 2016. Gas and Power maintenance capital is expected to be less than $40 million of the total expected capital expenditures. A large portion of growth capital expenditures is discretionary and AltaGas has the flexibility to adjust the pace of spending at its option. The Corporation continues to focus on enhancing productivity and streamlining businesses, including the disposition of smaller non-core assets.

AltaGas maintains financial strength and flexibility, investment grade credit ratings, and ready access to capital markets. AltaGas has solid cash flow coming from its diversified base businesses and Dividend Reinvestment Plan

(DRIP). With ample bank line reserves and the flexibility to manage the timing of capital spending, AltaGas is fully funded and well positioned for 2016. AltaGas had $974 million available on its credit facilities at the end of the first quarter of 2016. Based on AltaGas' current 2016 EBITDA forecast, approximately 90 percent of AltaGas' customers are investment grade, and within AltaGas' Gas segment a majority of customers have investment grade credit ratings.

On a U.S. GAAP basis, net income applicable to common shares was $55 million ($0.38 per share) in the first quarter of 2016, compared to $66 million ($0.49 per share) for the same period in 2015. In the first quarter of 2016, net income applicable to common shares was normalized for after-tax amounts related to transaction costs from acquisitions, unrealized gains on risk management contracts, gains on sale of assets and related tax recovery, provision on investment accounted for by the equity method, and dilution loss recognized on investment accounted for by the equity method. In the first quarter of 2015, net income applicable to common shares was normalized for after-tax amounts related to unrealized gains on risk management contracts and energy export development costs.

2016 Outlook

AltaGas currently expects to deliver overall normalized EBITDA growth of approximately 20 percent in 2016 compared to 2015. The Power and Utilities segments are expected to report higher normalized EBITDA, while normalized EBITDA from the Gas segment is expected to decrease compared to 2015 due to the sale of assets to Tidewater and moderately lower volumes.

The most significant driver of normalized EBITDA growth is a full year contribution from the San Joaquin Facilities acquired on November 30, 2015. 2016 will also be the first year that all three Northwest Hydro Facilities provide a full year contribution as McLymont Creek entered commercial service in the fourth quarter of 2015. AltaGas' integrated northeast British Columbia strategy is expected to add additional EBITDA in 2016 with a partial year contribution from the first phase of the Townsend Facility entering commercial operations mid-year. The Facility is expected to generate approximately $15 to $20 million in EBITDA for 2016 once commercially on-stream, as Painted Pony Petroleum volumes progressively increase through year-end. AltaGas also expects to benefit from higher earnings from Petrogas and the absence of turnarounds at the Harmattan and Younger extraction plants. Increased earnings in the Utilities segment in 2016 are driven by rate base and customer growth, and will also benefit from the favourable US dollar exchange rate. SEMCO Gas expects approximately $8 million of margin in 2016 as a result of a full year contribution of its Main Replacement Program (MRP). The Regulatory Commission of Alaska accepted a stipulation filed by ENSTAR in 2015, which included a rate increase (annualized) of approximately US$4 million as well as an additional interim and refundable rate increase (annualized) of approximately US$2 million. In order to maintain competitive pricing and customer retention, Heritage Gas filed a Customer Retention Program application with the Nova Scotia Utility and Review Board (NSUARB) on March 2, 2016. The application requests a decrease in current distribution rates for certain commercial customers. If the NSUARB approves the application in its entirety, normalized EBITDA is expected to decrease by approximately $4 million in 2016 from what it otherwise would be as Heritage Gas revenues would not include a recovery for depreciation.

AltaGas currently expects normalized funds from operations to grow by up to approximately 15 percent in 2016, driven by the factors noted herein for normalized EBITDA, partially offset by higher financing costs related to new assets acquired as well as new assets in service, and higher current tax expenses.

AltaGas' 2016 projections for growth in normalized EBITDA and normalized funds from operations assume no near-term recovery in commodity prices.

Project Updates

Townsend Gas Processing Facility

AltaGas' integrated northeast British Columbia gas strategy is expected to add additional EBITDA in 2016 with a partial year contribution from the first phase of the Townsend Facility. The estimated cost for the Townsend Facility and associated infrastructure is approximately $325 to $350 million, and includes the plant, sales gas line, improvements to site, local roads and the Alaska Highway, as well as additional compression. Construction of the Townsend Facility is progressing ahead of schedule and is approximately 85 percent complete, with commissioning expected to begin by mid-year. AltaGas has also achieved capital efficiencies during construction of the Townsend Facility and related infrastructure, and expects to complete the project under budget.

Incremental to the Townsend Facility are two other related projects. The first is a 25 km gas gathering line, which connects the Blair Creek field gathering area to the Townsend Facility. This gathering line is substantially complete, under budget ($38 million, which includes contingency of $3 million that AltaGas does not expect to use, versus $43 million original cost expectation), and on schedule. Painted Pony has reserved all of the firm service for the gas gathering line under a 20-year take-or-pay agreement. The second project consists of two 30 km liquids egress lines running from the Townsend Facility to a truck terminal on the Alaska Highway. The pipelines can move initial liquids volumes of up to 10,000 Bbls/d each, and with pumping modifications can accommodate up to 30,000 Bbls/d each. These twin pipelines were substantially constructed in the first quarter of 2016. Construction of the truck terminal is underway and is scheduled to be complete in the third quarter of 2016. Long-lead equipment is on order, and site clearing and vendor fabrication have commenced. Painted Pony is expected to reserve firm liquids capacity on the liquids egress lines for all the liquids from the first phase of the Townsend Facility under a 20-year take-or-pay agreement. The two liquids egress lines and the truck terminal are estimated to cost approximately $80 to $90 million.

North Pine Liquids Separation Project

AltaGas is developing a liquids separation and handling facility, the North Pine Project, located 45 km northwest of Fort St. John, British Columbia. The North Pine Facility is being designed with capacity to process up to 20,000 Bbls/d of C3+ and handle up to 20,000 Bbls/d of C5+. Engagement with First Nations and key stakeholders continues, and on April 14, 2016, AltaGas filed its application with the B.C. Oil and Gas Commission for permitting of North Pine. North Pine will be connected to existing AltaGas infrastructure in the region, including the proposed Ridley Island Propane Export Terminal, and will serve producers in the Montney region. A front-end engineering and design (FEED) study was completed in March and further capital optimization opportunities are currently being reviewed. In conjunction with the North Pine Facility, AltaGas expects to develop two liquids egress lines connecting North Pine to the Alaska Highway truck terminal. The North Pine Facility and the two liquids egress lines are expected to cost approximately $190 to $210 million. AltaGas expects to receive permits and reach a Final Investment Decision (FID) in 2016 with commercial operations commencing in the first half of 2018.

Ridley Island Propane Export Terminal

AltaGas has begun the formal environmental review process for its proposed Ridley Island Propane Export Terminal located near Prince Rupert, British Columbia on lands leased from Ridley Terminals Inc. and the Prince Rupert Port Authority. AltaGas also continues to engage closely with First Nations. On February 11, 2016, AltaGas filed an application with the National Energy Board (NEB) for a 25-year propane export licence. Preliminary engineering has been completed and a FEED study is in progress and is expected to be completed in the second quarter of 2016. AltaGas expects to reach FID in 2016, subject to First Nations and stakeholder engagement and necessary approvals.

Early Stage Deep Basin Liquids Separation Facility

AltaGas is in the early stages of development of a liquids separation facility which will serve producers in the Deep Basin region of Northwest Alberta. A pre-FEED study has been initiated and is expected to be completed in May 2016. The facility is being designed with capacity to process up to 10,000 Bbls/d of C3+ and handle up to 10,000 Bbls/d of C5+. Active discussions with producers to contractually underpin the base capacity are continuing, and engagement with First Nations and key stakeholders is underway. The Deep Basin facility will have access to existing rail and can be connected to AltaGas' proposed Ridley Island Propane Export Terminal. AltaGas will target to reach FID in 2016, subject to completing First Nations and stakeholder engagement and regulatory approvals.

Blythe Energy Center (Blythe)

The Blythe Facility, and the Sonoran Facility currently under development, are well situated to serve a larger western regional transmission organization comprised of several western U.S. states. In the first quarter of 2016, AltaGas submitted a response to a RFP for the re-contracting of its 507 MW Blythe Facility and awaits further RFPs in the western U.S. expected later in the year. AltaGas expects to bid both the potential re-contracting of its Blythe Facility after its PPA expires July 31, 2020 and the potential Sonoran Facility into these upcoming RFPs. Separately, AltaGas has also advanced bilateral commercial discussions for these facilities. As utilities, non-utility generators and large generators continue to determine their future resource needs, AltaGas expects increased interest as it relates to these opportunities.

Repowering of Pomona Facility

In the first quarter of 2016, AltaGas submitted an application with the California Energy Commission to repower the Pomona Facility to a flexible, fast ramping peaking facility under the small power plant exemption process. It is anticipated that the application review process will be approximately 12 months and include a review of the emissions profile by the local air district. The existing Pomona Facility is a 44.5 MW gas-fired peaking plant strategically located in the Los Angeles load pocket. The repowered facility will be comprised of more efficient gas-fired technology with capacity up to 100 MW. Following approval AltaGas will be ready to bid the repowered Pomona Facility into upcoming RFPs.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board of Directors approved a dividend of $0.165 per common share. The dividend will be paid on June 15, 2016, to common shareholders of record on May 25, 2016. The ex-dividend date is May 20, 2016. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board of Directors approved a dividend of $0.21125 per share for the period commencing March 31, 2016 and ending June 29, 2016, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016;
- The Board of Directors approved a dividend of $0.19393 per share for the period commencing March 31, 2016 and ending June 29, 2016, on AltaGas' outstanding Series B Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016;
- The Board of Directors approved a dividend of US$0.275 per share for the period commencing March 31, 2016 and ending June 29, 2016, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016;
- The Board of Directors approved a dividend of $0.3125 per share for the period commencing March 31, 2016, and ending June 29, 2016, on AltaGas' outstanding Series E Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016;
- The Board of Directors approved a dividend of $0.296875 per share for the period commencing March 31, 2016, and ending June 29, 2016, on AltaGas' outstanding Series G Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016; and
- The Board of Directors approved a dividend of $0.328125 per share for the period commencing March 31, 2016, and ending June 29, 2016, on AltaGas' outstanding Series I Preferred Shares. The dividend will be paid on June 30, 2016 to shareholders of record on June 16, 2016. The ex-dividend date is June 14, 2016.

Changes to the Dividend Reinvestment Plan and Implementation of Premium Dividend™ Reinvestment Plan

AltaGas intends to change its current Dividend Reinvestment and Optional Common Share Purchase Plan. The changes will include the implementation of a Premium Dividend ™ reinvestment component and a reduction of the discount on the regular dividend reinvestment component from 5 percent to 3 percent. The changed plan (the "Plan") will retain the Optional Common Share Purchase component of the current plan. The changes are expected to be effective for the dividend payable to common shareholders of record May 25, 2016, to be paid June 15, 2016. The

Plan will allow eligible shareholders enrolled in the regular dividend reinvestment component of the Plan to have their common share dividends reinvested in additional common shares of AltaGas issued from treasury at a discount to the Average Market Price (as defined in the Plan) and will allow eligible shareholders enrolled in the Premium Dividend™ component of the Plan to have the additional common shares exchanged for a premium cash payment. The premium to the regular cash dividend paid to the common shareholders who participate in the Premium Dividend ™ component will be 101 percent.

Participation in the Plan will be optional. Eligible shareholders who do not elect to participate in the Plan will continue to receive their regular cash dividend in the usual manner.

Implementation of the Plan is subject to the approval of the Toronto Stock Exchange. A subsequent announcement will be made when the Plan and related documents, including enrollment forms, are available.

Consolidated Financial Review

($ millions)	Three Months Ended March 31 **2016**	2015
Revenue	**611**	744
Normalized EBITDA[1]	**178**	178
Net income applicable to common shares	**55**	66
Normalized net income[1]	**38**	57
Total assets	**9,559**	8,603
Total long-term liabilities	**4,770**	3,938
Net additions to property, plant and equipment	**80**	110
Dividends declared[2]	**73**	59
Cash flows		
Normalized funds from operations[1]	**132**	140

($ per share, except shares outstanding)	Three Months Ended March 31 **2016**	2015
Normalized EBITDA[1]	**1.21**	1.33
Net income per common share - basic	**0.38**	0.49
Net income per common share - diluted	**0.38**	0.49
Normalized net income[1]	**0.26**	0.43
Dividends declared[2]	**0.50**	0.44
Cash flows		
Normalized funds from operations[1]	**0.90**	1.05
Shares outstanding - basic (millions)		
During the period[3]	**147**	134
End of period	**147**	135

(1) *Non-GAAP financial measure.*

(2) *Dividends declared per common share per month of $0.1475 beginning on May 26, 2014, and $0.16 beginning on May 26, 2015, and $0165 beginning on October 26, 2015.*

(3) *Weighted average.*

Conference Call and Webcast Details:

AltaGas will hold a conference call, April 21, 2016 at 9:00 a.m. MT (11:00 a.m. ET) to discuss first quarter financial results, progress on construction projects and other corporate developments.

Members of the investment communities and other interested parties may dial (416) 340-2216 or call toll free at 1-866-225-2055. There is no passcode. Please note that the conference call will also be webcast. To listen, please go to http://www.altagas.ca/investors/presentations_and_events. The webcast will be archived for one year.

Shortly after the conclusion of the call, a replay will be available by dialing (905) 694-9451 or 1-800-408-3053. The passcode is 9998215. The replay will expire at midnight (Eastern) on April 28, 2016.

Additional information relating to AltaGas' results can be found in the Management's Discussion and Analysis and unaudited condensed interim consolidated financial statements as at and for the period ended March 31, 2016 available through AltaGas' website at www.altagas.ca or through SEDAR at www.sedar.com.

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

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

Media
(403) 691-7197
media.relations@altagas.ca

TM denotes trademark of Canaccord Genuity Corp.

This news release contains forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "projection", "propose", "focus", "estimate", "target", "on track", "expect", and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. 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, capital expenditures, and financial results. In particular this news release contains forward looking statements with respect to the projected growth in normalized EBITDA and normalized funds from operations; expectations with respect to the Townsend Facility and related projects including progress of construction, estimated cost, expected commissioning timeline, commercial operation date, expected earnings and impact on earnings, capacity, cost and connection capability of egress lines with Townsend Facility and truck terminal and expectations regarding Painted Pony's reservation of firm capacity and delivery of gas volumes; expectations with respect to the development of the proposed Ridley Island Propane Export Terminal including development costs, propane transport capability, initial shipment capacity and timing of final investment decision and commercial operations; expectations relating to the development of the North Pine Liquids Separation Project including connection capability to rail, existing AltaGas infrastructure and the proposed Ridley Island Propane Export Terminal, facility specifications, cost, final investment decision date and commercial operation date; expectations with respect to the development of the Deep Basin facility including facility specifications, design and handling capacity, access to rail, connection capability to proposed Ridley Island Propane Export Terminal and target for final investment decision and completion of pre-FEED study; ; expectations relating to AltaGas' ability to fund its projects and business, including its access to capital markets and credit facilities and its flexibility to manage timing of capital spending; expectations that AltaGas is well-positioned to fund its growth capital and to take advantage of growth opportunities as they arise; the potential for RFPs later this year in the Western U.S. power markets and the opportunities available for the Blythe and Sonoran facilities; expectations with respect to the Pomona facility including expected timeline, ability to increase capacity and ability to bid into RFPs; expectations relating to the San Joaquin Facilities including expected contributions to growth and impact on earnings; expectations relating to the Northwest Hydro Facilities including expected contributions to earnings; expected impact on earnings of the sale of gas assets to Tidewater; expectations regarding Petrogas including increased earnings; expectations regarding commodity prices, expectations regarding the US dollar; expected earnings from the utilities segment including from rate base and customer growth, from SEMCO Gas as a result of its Main Replacement Program; expectations regarding the payment of dividends, the intention to change the Dividend Reinvestment Plan and the proposed participation rights in, changes to, and effective date of the plan.

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, changes in tax legislation, fluctuations in commodity prices, interest or foreign exchange rates, access to capital markets, general economic conditions, changes in the political environment, changes to environmental and other laws and regulations, cost for labour, equipment and materials and other factors set out in AltaGas' continuous disclosure documents, including the Annual Information Form and the MD&A as at and for the year ended December 31, 2015.

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 as well as the assumptions upon which they are based proving incorrect. 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, forecasted, expected, projected or targeted, 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.

This news release contains references to certain financial measures that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other entities. The non-GAAP measures and their reconciliation to GAAP financial measures are shown in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the three months ended March 31, 2016. These measures provide additional information that management believes is meaningful regarding AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for and incremental information associated with each non-GAAP measure is discussed in AltaGas' MD&A as at and for the three months ended March 31, 2016. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP.