



NEWS RELEASE

ALTAGAS REPORTS STRONG SECOND QUARTER RESULTS AND INCREASES DIVIDEND

Calgary, Alberta (August 1, 2013) – AltaGas Ltd. (AltaGas) (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.PR.U) today reported a 150 percent increase in normalized net income per share. Normalized net income applicable to common shares was \$35.5 million (\$0.30 per share) for the three months ended June 30, 2013, compared to \$10.4 million (\$0.12 per share) for the same period 2012. Net income applicable to common shares reported was \$35.9 million (\$0.31 per share) for the three months ended June 30, 2013, compared to \$25.8 million (\$0.29 per share) for the same period 2012.

Stronger earnings also resulted in stronger cash flows. Normalized EBITDA more than doubled to \$106.2 million for second quarter 2013 compared to \$51.7 million in second quarter 2012. Normalized funds from operations increased to \$83.1 million (\$0.71 per share) for second quarter 2013 compared to \$40.7 million (\$0.45 per share) for second quarter 2012.

"We are pleased to report another very solid quarter with substantial growth in earnings and cash flow," said David Cornhill, Chairman and CEO of AltaGas. "We had strong performance from all our businesses and we have attractive growth opportunities. Therefore, we are pleased to announce our Board approved a dividend increase of a quarter cent per share per month. In addition to the increase approved last quarter, this results in a \$0.09 cent or 6.25 percent increase to our dividend on an annualized basis. On a full year basis the dividend is now \$1.53 per share. The Board and management remain committed to enhancing returns for our shareholders."

Normalized net income for the six months ended June 30, 2013 increased to \$91.1 million, an 80 percent increase over the same period 2012. Normalized net income per share increased 46 percent to \$0.82 per share, up from \$0.56 per share.

For the six months ended June 30, 2013, normalized EBITDA increased 76 percent to \$252.1 million compared to \$143.1 million for the same period 2012. Normalized funds from operations for the six months ended June 30, 2013, increased 78 percent to \$205.5 million (\$1.84 per share) compared to \$115.5 million (\$1.29 per share) for the same period 2012.

Operating income from the business segments increased 89 percent in the second quarter 2013 compared to the same quarter 2012, primarily driven by the addition of the U.S. utilities in August 2012, higher throughput in the Gas business, higher power prices realized and the addition of the new Blythe power facility in mid-May 2013. Earnings were partially offset by lower frac spreads and higher operating costs in the quarter.

AltaGas also announced today that its wholly owned subsidiary Pacific Northern Gas Ltd. (PNG) has entered into Transportation Reservation Agreements with both Douglas Channel Gas Services Ltd. and AltaGas Idemitsu Joint Venture Limited Partnership for 520 Mmcf/d of natural gas transportation capacity on the proposed PNG pipeline expansion. The PNG expansion is expected to increase capacity of the PNG system to approximately 750 Mmcf/d from its current capacity of 115 Mmcf/d. PNG continues to work with other potential shippers for the remaining capacity.

"Securing shippers for the expansion of our PNG pipeline has been a critical milestone toward executing on our LNG export plans," said Mr. Cornhill. "We are pleased with our progress and continue to work with other shippers to secure the remaining capacity on the pipeline expansion. We continue to lead the way in getting Canadian natural gas to export markets."

AltaGas also announced today the expansion of its Cogeneration fleet at Harmattan to 45 MW. AltaGas will construct the new 15 MW Cogeneration facility to meet the increased power demand at the Harmattan complex and increase sales to the Alberta power market. Cogen III is expected to be in service in the fourth quarter 2014 with a total project cost estimated at \$40 million.

AltaGas is also expanding its Cold Lake natural gas transmission system to deliver natural gas to provide steam to two heavy oil projects near Cold Lake, Alberta. The estimated cost of both projects is \$17 million and both are underpinned by long-term take-or-pay transportation agreements. The expansion is expected to be in service in late 2014.

AltaGas continues to make good progress on the Northwest run-of-river projects, which include the Forrest Kerr, McLymont Creek and Volcano Creek generation facilities. The projects remain ahead of schedule and on budget. The powerhouse activities continue as planned and the power tunnel inlet gate control structure and intake desander structure was completed in the quarter. Three turbine units are on-site with installation expected to begin by mid-August. The installation of the penstock and turbines are expected to be completed in third quarter 2013. The project is expected to be mechanically complete by the end of 2013, with commissioning to follow based on the availability of the Northwest Transmission Line (NTL). In-service date is on target for mid-2014.

Construction continues to progress on both the 66 MW McLymont Creek project and 16 MW Volcano Creek project. The McLymont Creek engineering design is now 95 percent complete. Construction of the 7-kilometre McLymont intake access road is on-going and the pioneer trail is 55 percent completed and anticipated to be completed within the next 90 days. Excavation of the McLymont power portal has been completed and approximately 15 percent of the 2,800-metre power tunnel has been excavated. Excavation of the Volcano Creek intake site and diversion have been completed and the installation of the weir embeds has commenced. At Volcano Creek 100 percent of the penstock right-of-way has been cleared and excavation of the penstock trench has commenced. The powerhouse foundation is approximately 80 percent complete and excavation of the headrace is complete. The two projects are expected to be in service in mid-2015.

Monthly Common Share Dividend and Quarterly Preferred Share Dividend

- The Board approved a dividend of \$0.1275 per common share for the August 2013 dividend. The dividend will be paid on September 16, 2013, to common shareholders of record on August 26, 2013. The ex-dividend date is August 22, 2013. This dividend is an eligible dividend for Canadian income tax purposes;
- The Board approved a dividend of \$0.3125 per share for the period commencing July 1, 2013, and ending September 30, 2013, on AltaGas' outstanding Series A Preferred Shares. The dividend will be paid on September 30, 2013 to shareholders of record on September 16, 2013. The ex-dividend date is September 12, 2013; and
- The Board also approved a dividend of US\$0.275 per share for the period commencing July 1, 2013, and ending September 30, 2013, on AltaGas' outstanding Series C Preferred Shares. The dividend will be paid on September 30, 2013, to shareholders of record on September 16, 2013. The ex-dividend date is September 12, 2013.

CONSOLIDATED FINANCIAL REVIEW

<i>(unaudited)</i> (\$ millions)	Three months ended June 30		Six months ended June 30	
	2013	2012	2013	2012
Revenue	458.6	272.2	1,072.1	633.8
Net revenue ⁽¹⁾	211.8	144.0	449.1	310.4
Normalized operating income ⁽¹⁾	68.0	30.4	177.2	99.7
Normalized EBITDA ⁽¹⁾	106.2	51.7	252.1	143.1
Net income applicable to common shares	35.9	25.8	85.0	67.1
Normalized net income ⁽¹⁾	35.5	10.4	91.1	50.6
Total assets	6,704.3	3,852.1	6,704.3	3,852.1
Total long-term liabilities	3,598.9	1,901.1	3,598.9	1,901.1
Net additions to property, plant and equipment	715.8	176.4	835.5	323.8
Dividends declared ⁽²⁾	43.8	31.1	81.8	62.0
Cash flows				
Normalized funds from operations ⁽¹⁾	83.1	40.7	205.5	115.5
<i>(\$ per share, except shares outstanding)</i>	Three months ended June 30		Six months ended June 30	
	2013	2012	2013	2012
Normalized EBITDA ⁽¹⁾	0.90	0.57	2.26	1.59
Net income - basic	0.31	0.29	0.76	0.75
Net income - diluted	0.30	0.28	0.74	0.74
Normalized net income ⁽¹⁾	0.30	0.12	0.82	0.56
Dividends declared ⁽²⁾	0.37	0.345	0.73	0.69
Cash flows				
Normalized funds from operations ⁽¹⁾	0.71	0.45	1.84	1.29
Shares outstanding - basic (millions)				
During the period ⁽³⁾	117.7	90.0	111.7	89.8
End of period	118.4	90.3	118.4	90.3

⁽¹⁾ Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of the second quarter 2013 MD&A.

⁽²⁾ Dividends declared of \$0.12 per common share per month commencing September 10, 2012 and \$0.125 commencing May 2013.

⁽³⁾ 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 second quarter financial results, progress on construction projects and other corporate developments.

Members of the media, investment communities and other interested parties may dial (416) 340-8410 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 6668430. The replay expires at midnight (Eastern) on August 8, 2013.

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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