

MCLYMONT CREEK ENVIRONMENTAL APPROVAL AND START UP OF NEW COGENERATION FACILITY AT HARMATTAN ANNOUNCED

Calgary, Alberta (June 12, 2012)

AltaGas Ltd. ("AltaGas") (TSX:ALA) (TSX:ALA.PR.A) (TSX:ALA.R) (TSX:ALA.PR.U) announced today that it has received an environmental assessment (EA) certificate for its 66 megawatt (MW) McLymont Creek run-of-river hydroelectric generation facility. Construction of the McLymont Creek Project is scheduled to start within the next 60 days subject to receipt of detailed provincial and federal authorizations and permits required for construction.

The McLymont Creek project is located near AltaGas' 195 MW Forrest Kerr project, currently under construction, approximately 1,000 km northwest of Vancouver, BC. The Forrest Kerr project is expected to be in service in mid-2014, followed by McLymont Creek, and the proposed 16 MW Volcano Creek project in late 2015. The Volcano Creek project is currently going through its provincial environmental review. Collectively the projects are known as the Northwest Projects.

The McLymont Creek project will capture the energy produced by the natural flow and elevation drop of the creek to produce and deliver clean, renewable power to BC Hydro under a 60-year electricity purchase agreement. The project also has an Impact Benefit Agreement in place with the Tahltan First Nation. "I am pleased with the progress we have made on our Northwest Projects," said David Cornhill, Chairman and CEO of AltaGas "Once completed, the Northwest Projects will provide enough electricity for approximately 95,000 homes in British Columbia and will offset more than 780,000 tonnes of greenhouse gas annually. These projects are crucial to a sustainable, growing economy in Northern BC and we are pleased to be part of bringing green energy to Northern BC."

"In addition to the McLymont Creek EA announced today, we are also pleased to announce we have commissioned the 15 MW gas-fired Cogeneration II facility at the Harmattan Complex," Mr. Cornhill added. "This is a great example of capitalizing on the physical and economic links along the energy value chain to maximize the profitability of our assets."

The commercial operation date of the 15 MW gas-fired Cogeneration II facility at the Harmattan Complex was June 7, 2012. The project was completed on time and on budget. The facility will provide steam required to process natural gas at the Harmattan Complex as well as produce electricity for on-site consumption with excess clean base-load power sold in the Alberta market.

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 renewable energy sources. For more information visit: www.altagas.ca.

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