

## ALTAGAS ANNOUNCES POSITIVE FID ON CANADA'S FIRST WEST COAST PROPANE EXPORT TERMINAL

**Calgary, Alberta (January 3, 2017)**

AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that it has reached a positive Final Investment Decision ("FID") on its Ridley Island Propane Export Terminal (the "Ridley Export Terminal"), having received approval from federal regulators. AltaGas has executed long-term agreements securing land tenure along with rail and marine infrastructure on Ridley Island, and will proceed with the construction, ownership and operation of the Ridley Export Terminal.

The Ridley Export Terminal is expected to be the first propane export facility on Canada's west coast. The site is near Prince Rupert, British Columbia, on a section of land leased by Ridley Terminals Inc. from the Prince Rupert Port Authority. The locational advantage is very short shipping distances to markets in Asia, notably a 10-day shipping time compared to 25-days from the U.S. Gulf Coast. The brownfield site also benefits from excellent railway access and a world class marine jetty with deep water access to the Pacific Ocean.

"We are consulting and working with the First Nations whose traditional territory the Ridley Export Terminal is located within," said David Harris, President and CEO of AltaGas. "Collaborating closely with First Nations and communities to create sustainable social value is of paramount importance to us and we look forward to a long and mutually beneficial relationship with the First Nations in the region."

"The project is a reflection of how we do business in B.C. - balancing environmental protection with economic development, creating opportunities and real partnerships with First Nations, and putting British Columbians first," said Premier Christy Clark. "This export facility is another promising development for our province, connecting producers in northeast B.C. to markets in Asia."

The Ridley Export Terminal will be designed to ship 1.2 million tonnes of propane per year and is estimated to cost approximately \$450 - \$500 million. Along with FID, AltaGas will be offering a third party the option to take an equity position of up to 30 percent in the Ridley Export Terminal.

"Propane exports off of Canada's west coast pulls together our vision of offering Canadian producers a complete energy value chain," said Harris. "Together with our northeast B.C. infrastructure, once the Ridley Export Terminal is built and operating, we will give producers new access to premium Asian markets for their propane."

Based on production from its existing facilities and forecasts from new plants under construction and in active development, AltaGas anticipates having physical volumes equal to approximately 50 percent of the 1.2 million tonnes. The remaining 50 percent is slated to be supplied by producers and aggregators in western Canada. AltaGas expects to underpin at least 40 percent of the Ridley Export Terminal throughput under tolling arrangements with producers and other suppliers.

As previously announced on May 24, 2016, AltaGas LPG Limited Partnership entered into a Memorandum of Understanding with Astomos Energy Corporation (“Astomos”) contemplating a multi-year agreement, for the purchase of at least 50 percent of the 1.2 million tonnes of propane available to be shipped from the Ridley Export Terminal each year. A definitive agreement has been finalized with Astomos containing the key commercial terms for the sale and purchase of these volumes of propane. Commercial discussions with Astomos and several other third party offtakers for further capacity commitments are proceeding.

“Astomos is one of the largest LPG players in the world providing great access to Asian markets for Western Canadian producers,” said Harris. “We look forward to maximizing our relationship with them.”

AltaGas began the formal environmental review process in early 2016, which included submission of the Environmental Evaluation Document, review and final determination by federal regulators under terms and conditions that will allow the project to proceed. AltaGas has engaged and worked closely with First Nations throughout the process and will continue to do so as it moves forward with the Ridley Export Terminal.

Construction is expected to begin in early 2017 in compliance with the approval, and will proceed under the self-perform model successfully used by AltaGas to build its other projects on time and on budget. The Ridley Export Terminal is expected to be in service by the first quarter of 2019.

The Ridley Export Terminal will support long-term economic stability in the region through the diversification of products at Ridley Terminals, and employment opportunities for area residents and First Nations. It is estimated that 200 to 250 construction workers will be hired during the construction phase and 40 to 50 permanent jobs created once the facility is operational. The Ridley Export Terminal will provide enduring community benefits along with employment and contracting opportunities during both construction and operations phases.

AltaGas is an energy infrastructure company 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](http://www.altagas.ca)

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*This news release contains forward-looking statements. When used in this news release, the words “may”, “would”, “could”, “can”, “will”, “be”, “intend”, “possible”, “plan”, “develop”, “anticipate”, “target”, “believe”, “seek”, “propose”, “proceed”, “continue”, “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, the proposed Ridley Export Terminal (including being the first propane export facility on Canada’s west coast, the construction of the terminal and building on time and on budget, alternatives and benefits for producers, access to new markets, diversification of products, sources of supply, expected supply volumes, relations with First Nations and Astomos, potential for third party investment, facility specifications, processing capacity, handling capability, service area, cost, and timeline for construction and in-service, shipping timeline, tolling arrangements, offtake arrangements, purchase and sale of LPG from*

*the terminal, expansion of trade, and employment opportunities and other community benefits), AltaGas' views with respect to the conditions imposed by the federal regulators on granting its approval, the quality of Asian markets, Asian demand for clean energy, AltaGas' construction of new plants and development of new projects, 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.*