

## ALTAGAS CLOSES PACIFIC NORTHERN GAS ACQUISITION

Calgary, Alberta and Vancouver, British Columbia (December 20, 2011)

AltaGas Ltd. (“AltaGas” or the “Corporation”) (TSX: ALA; ALA.PR.A) and Pacific Northern Gas Ltd. (“PNG”) (TSX: PNG) are pleased to announce the successful completion of the acquisition of all of the issued and outstanding common shares of PNG by AltaGas.

“I am pleased to welcome PNG and its employees to AltaGas. This transaction will grow our Utility business to over 110,000 customers and increase rate base to over \$500 million” said David Cornhill, Chairman and CEO of AltaGas. “We are committed to continue delivering safe and reliable service to our customers.”

Roy Dyce, President and CEO of PNG added, “I want to thank the employees of PNG for their efforts and thank PNG shareholders for their support through the years. PNG is excited to join a company with such a strong reputation as AltaGas.”

The acquisition took place pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) following approval by over 99 percent of PNG common shareholders voting by person or represented by proxy at a special meeting held on December 12, 2011. The arrangement was approved by the Supreme Court of British Columbia on December 13, 2011 and the acquisition closed on December 20, 2011. In accordance with the arrangement, AltaGas Utility Holdings (Pacific) Inc., an indirect wholly-owned subsidiary of AltaGas, acquired all of the issued and outstanding common shares of PNG for consideration of \$36.75 per common share.

Registered holders of PNG common shares who have not already submitted a completed letter of transmittal, together with their share certificates, to Computershare Investor Services Inc., in its capacity as depository under the arrangement, should do so at their earliest convenience. Payment to common shareholders will be made following receipt of these documents. If your PNG common shares are registered in the name of a nominee, you should contact that nominee for instructions and assistance in delivering certificates to the depository.

As a result of the acquisition, PNG’s common shares are expected to be delisted from the Toronto Stock Exchange (the “TSX”) within three business days. PNG’s 6 ¾ percent cumulative redeemable preferred shares remain listed on the TSX.

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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](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", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to AltaGas, PNG or their affiliates, 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' or PNG's 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' or PNG's public disclosure documents. Many factors could cause AltaGas' or PNG's 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. Neither AltaGas nor PNG intends, 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.