

ALTAGAS LTD.

Dividend Reinvestment and Optional Common Share Purchase Plan

QUESTIONS AND ANSWERS

The following series of questions and answers explains some of the key features of the Dividend Reinvestment and Optional Common Share Purchase Plan (the “**Plan**”) of AltaGas Ltd. (“**AltaGas**”) for holders (“**Shareholders**”) of common shares (“**Common Shares**”) of AltaGas.

The answers are, however, of a summary nature only, and are expressly subject to the complete text of the Plan, which is reproduced in this booklet. Shareholders should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan.

Shareholders who are not resident in Canada are not eligible to participate in the Plan.

1. What is the Dividend Reinvestment and Optional Common Share Purchase Plan?

If you are an eligible holder of Common Shares then the Plan will enable you to:

- (a) accumulate new Common Shares at a 5% discount to the Average Market Price (as defined in the Plan) (“**dividend reinvestment**”); and
- (b) if you are enrolled in the dividend reinvestment component of the Plan, purchase new Common Shares at the Average Market Price, with no discount, by directly investing additional amounts (“**optional cash payments**”) within the limits and subject to the terms of the Plan.

Participation in the dividend reinvestment component of the Plan will involve the reinvestment of the cash dividends payable by AltaGas on your Common Shares, in new Common Shares.

New Common Shares acquired under the dividend reinvestment component of the Plan will be accumulated and held for your account (a “**DRIP Account**”) by Computershare Trust Company of Canada, as plan agent under the Plan (the “**Plan Agent**”). The number of new Common Shares that may be acquired and accumulated under the Plan is subject to proration in certain events.

You are not required to participate in the Plan. If you do not participate, then you will continue to receive your cash dividends in the normal course.

2. What are the advantages of the Plan?

- (a) The dividend reinvestment and optional cash payment components of the Plan provide a convenient and cost-effective way for you to invest in or increase your

investment in AltaGas, generally without incurring commissions, service charges or brokerage fees.

- (b) Common Shares purchased with reinvested dividends are bought at a 5% discount to the Average Market Price.
- (c) If you elect to participate in the dividend reinvestment component of the Plan, then you may apply to purchase new Common Shares at the Average Market Price (with no discount) by making optional cash payments, subject to the limits established under the Plan.
- (d) Funds to be invested in new Common Shares on your behalf can be fully invested because fractions of Common Shares (to four decimal places) as well as whole Common Shares may be credited for your account.

3. Am I eligible to participate in the Plan, and if so, to what extent?

Except as noted in the Plan, holders of at least one Common Share, who are Canadian residents, may participate in the Plan.

The extent to which you may directly participate in the Plan will depend on the manner in which you hold your Common Shares, as only registered Shareholders may directly enrol in the Plan. Beneficial owners of Common Shares may, however, participate in the Plan through their broker, investment dealer, financial institution or other nominee.

Registered Shareholders

You are a registered Shareholder if your Common Shares are registered in your own name in the AltaGas register of Shareholders and you have a Common Share certificate issued in your name.

If you are a registered Shareholder and are resident in Canada, then you may directly enrol in the dividend reinvestment component of the Plan by providing a completed authorization form provided by AltaGas for such purpose (an “**Authorization Form**”) to Computershare Trust Company of Canada, as Plan Agent, as described in Question #4 below. If you participate in the dividend reinvestment component of the Plan then you may also purchase new Common Shares with optional cash payments.

Beneficial Owners of Common Shares

You are a beneficial owner of Common Shares if you hold your Common Shares through a broker, investment dealer, financial institution or other nominee. If you are a beneficial owner of Common Shares and are resident in Canada, and wish to participate in the dividend reinvestment component of the Plan, you must either transfer your Common Shares into your own name and then enrol in the Plan directly, or arrange for your broker, investment dealer, financial institution or other nominee to enrol in the Plan on your behalf. If you are a beneficial owner of Common Shares and your Common Shares are registered through a

nominee in the name of CDS Clearing and Depository Services Inc. or its nominee (“CDS”), and you wish to participate in the Plan, your nominee will be required to elect to participate on your behalf for each dividend period.

If your broker, investment dealer, financial institution or other nominee has enrolled in the dividend reinvestment component of the Plan on your behalf, then you may make optional cash payments through such nominee, within the limits defined in the Plan.

Nominee Holders of Common Shares

If you are a nominee for one or more beneficial owners of Common Shares and you wish to make an optional cash payment on behalf of one or more beneficial owners of Common Shares, then you must enclose with such payment the cash payment form provided by AltaGas for such purpose (a “**Cash Payment Form**”) included with this booklet that includes a declaration that:

- (a) you are making the optional cash payment on behalf of one or more beneficial owners of Common Shares who are residents of Canada;
- (b) you have applied to participate in the dividend reinvestment component of the Plan on behalf of each such beneficial owner of Common Shares;
- (c) at least \$1,000 per remittance and no more than \$100,000 in total in any calendar month is being paid on behalf of each beneficial owner of Common Shares; and
- (d) you have complied with the applicable provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and Regulations thereunder.

If you are a nominee for one or more beneficial owners of Common Shares, in addition to the above, you must also confirm whether you are enrolling in your capacity as a CDS participant or as a registered nominee Shareholder. Nominees holding Common Shares registered in the name of CDS must arrange for CDS to enrol in the dividend reinvestment component of the Plan on behalf of the beneficial owners of such Common Shares.

4. How do I become a participant in the Plan?

If you are an eligible registered holder of Common Shares and wish to participate in the Plan, you must deliver the appropriate properly completed and signed Authorization Form to Computershare Trust Company of Canada, as Plan Agent under the Plan.

If you are an eligible beneficial holder of Common Shares, you must have your broker, investment dealer, financial institution or other nominee deliver a properly completed and signed Authorization Form to the Plan Agent (or, in the case of an eligible beneficial holder of Common Shares, other appropriate instructions through CDS, if applicable) on your behalf.

Do not send Common Share certificates or dividend cheques with your Authorization Form.

Once you have enrolled, your participation in the Plan continues automatically until:

- (a) terminated by you voluntarily;
- (b) the Plan Agent receives written notice of your death;
- (c) until you cease to be an eligible Shareholder; or
- (d) until the Plan is terminated by AltaGas.

No further action is required by you. If you hold Common Shares through a broker, investment dealer, financial institution or other nominee and registered in the name of CDS, your nominee and CDS will have to enrol on your behalf in the Plan in respect of each dividend payment date.

The Plan Agent must receive an Authorization Form from you or from your broker, investment dealer, financial institution or other nominee on your behalf no later than 3:00 p.m. (Calgary time) on the business day immediately preceding a dividend record date in order to take effect on the dividend payment date to which such record date relates. If you hold Common Shares through a broker, investment dealer, financial institution or other nominee in the name of CDS, then such nominee must deliver appropriate instructions to CDS no later than 3:00 p.m. (Calgary time) on the business day immediately preceding such dividend record date (or such other deadline as CDS may set from time to time). Authorization Forms or such instructions received after such times will only take effect in respect of subsequent dividend payment dates.

5. What will be the price of new Common Shares purchased for my account under the Plan?

New Common Shares purchased under the Plan with reinvested dividends will be purchased from the treasury of AltaGas at a price equal to 95% of the Average Market Price (as defined in the Plan).

New Common Shares purchased with optional cash payments will be purchased from the treasury of AltaGas at a price equal to the Average Market Price without any discount.

6. Will certificates be issued for new Common Shares purchased for me under the Plan?

Certificates will not ordinarily be issued for Common Shares that are purchased under the Plan and held for your account. Instead, such Common Shares will be held by the Plan Agent either in its own name or the name of its nominee or in designated accounts on your behalf, and will be shown on your periodic statement of account. If you are a registered Shareholder you may, however, specifically request a certificate for any number of whole Common Shares held by the Plan Agent for your account by writing to the Plan Agent.

7. Can I sell Common Shares acquired under the Plan and held for my account?

If you wish to sell any of your Common Shares, you must first request that such Common Shares be transferred into your name or, if you participate in the Plan through your broker, into your broker's name by requesting a certificate representing such Common Shares.

8. How can I terminate my participation under the Plan?

If you are a registered Shareholder your participation in the manner elected by you continues automatically until you terminate your participation in the Plan by delivering a signed notice of termination to the Plan Agent.

If you are a beneficial owner of Common Shares, you may terminate your participation in the Plan by having your broker, investment dealer, financial institution or other nominee deliver a signed notice of termination to the Plan Agent on your behalf. If your termination notice is not received by the Plan Agent from you, or from your broker, investment dealer, financial institution or other nominee on your behalf, as applicable, prior to 3:00 p.m. (Calgary time) on the business day immediately preceding a dividend record date, then your account will not be closed, and your participation in the Plan will not be terminated, until after the dividend payment date to which such record date relates. Please note, though, that if your Common Shares are registered in the name of CDS through your broker, investment dealer, financial institution or other nominee, then termination in such manner is not required and your nominee should simply not enrol you in the Plan in respect of dividend payment dates on which you do not wish to participate in the Plan.

9. Are there circumstances where I may not be able to acquire new Common Shares in accordance with the Plan?

Your ability to acquire new Common Shares under the Plan on any particular dividend payment date depends on the amount of new equity, if any, that AltaGas decides to make available under the Plan for that dividend payment date, and on the elections that other eligible Shareholders have made under the Plan.

If, in respect of any dividend payment date, fulfilling all of the elections under the Plan would result in AltaGas exceeding either the limit on new equity set by AltaGas or the aggregate annual limit on new Common Shares issuable pursuant to optional cash payments, then elections for the purchase of new Common Shares on that dividend payment date will be accepted:

- (a) first, from participants electing to reinvest dividends under the dividend reinvestment component of the Plan; and
- (b) second, from participants electing to make optional cash payments.

If AltaGas is not able to accept all elections in a particular component of the Plan, then purchases of Common Shares in that category on the applicable dividend payment date will be prorated among the participants in that component.

If AltaGas determines not to issue any equity through the Plan on a particular dividend payment date, or to the extent that the availability of new Common Shares is prorated in accordance with the terms of the Plan, then participants will receive the cash dividends that they would otherwise be entitled to receive on such date from AltaGas.

10. How can I make optional cash payments?

If you are a registered Shareholder enrolled in the Plan you may make an optional cash payment at any time by delivering the appropriate properly completed cash payment form provided by AltaGas for such purpose (a “**Cash Payment Form**”), together with a Canadian dollar certified cheque payable to “Computershare Trust Company of Canada”, to the Plan Agent.

If you are a beneficial owner of Common Shares you should contact your broker, investment dealer, financial institution or other nominee to make an optional cash payment. A Cash Payment Form is included in this booklet and will be included with each statement of account sent to you by the Plan Agent, or may be obtained from the Plan Agent at any time.

Your initial optional cash payment does not give rise to any continuing obligation on you to make further optional cash payments, and subject to certain Plan limits, the amount of each optional cash payment may vary from time to time. A direction to purchase new Common Shares with an optional cash payment is, however, irrevocable once received by the Plan Agent.

Optional cash payments will be used to purchase new Common Shares on the applicable dividend payment date. Optional cash payments must be received (together with a completed Cash Payment Form) from you or your nominee no later than 3:00 p.m. (Calgary time) on the business day immediately preceding a dividend record date in order to be invested in new Common Shares on the dividend payment date to which such record date relates. Optional cash payments received by the Plan Agent after that time will not be invested in new Common Shares until the next dividend period.

11. How many Common Shares can I purchase with optional cash payments?

Optional cash payments may be in different amounts, but cannot be less than \$1,000 per remittance or more than \$100,000 in total in any calendar month (unless you are a nominee Shareholder, in which case these minimum and maximum figures apply in respect of each beneficial owner of Common Shares for whom you act as nominee). The number of Common Shares that you receive for your optional cash payment on any given dividend payment date will depend on the amount of such payment and the Average Market Price for such date.

AltaGas may not issue in any financial year, pursuant to optional cash payments, more than the maximum number of Common Shares permitted by applicable laws and regulatory policies. In addition, AltaGas will determine immediately after each dividend record date the amount of new equity, if any, that will be made available under the Plan, pursuant to optional

cash payments or otherwise, on the dividend payment date to which such record date relates. AltaGas will not accept any optional cash payments beyond these limits.

The cash dividends in respect of new Common Shares purchased with optional cash payments and held under the Plan will automatically be reinvested in new Common Shares in accordance with the Plan and your current election as set forth in your most recent Authorization Form. Please note, though, that if you are a beneficial owner of Common Shares registered through your broker or other nominee in the name of CDS, new Common Shares purchased under the optional cash payment component of the Plan by your broker or other nominee will not be held under the Plan by the Plan Agent but will instead be credited to the account of your broker or nominee through CDS, and dividends in respect of those Common Shares will not be reinvested under the dividend reinvestment component of the Plan unless those Common Shares are enrolled in the Plan by the applicable CDS participant in respect of the applicable subsequent dividend payment dates.

AltaGas reserves the right to determine from time to time not to accept optional cash payments for the purchase of new Common Shares under the Plan.

12. Will I receive any interest on funds that I have submitted to the Plan Agent as optional cash payments?

Interest will not be paid on optional cash payments pending their investment in new Common Shares.

13. How will the Plan Agent purchase new Common Shares for me?

On each dividend payment date, AltaGas will pay to the Plan Agent the cash dividends made on the Common Shares registered in your name or held for your account under the Plan, and the Plan Agent will use those funds, together with any optional cash payments received from you that are eligible to be invested on that dividend payment date, to purchase new Common Shares directly from AltaGas. Such new Common Shares will be credited to your DRIP Account under the Plan.

14. What are the income tax consequences of participating in the Plan?

Participation in the Plan does not relieve Shareholders of any liability for taxes that may be payable on dividends. Please refer to the Plan for a description of certain tax consequences to holders of Common Shares resident in Canada.

You should consult your tax advisor concerning the tax implications of your participation in the Plan having regard to your particular circumstances.

15. Where can I get further information?

If you have any questions regarding the Plan, please direct them to the Plan Agent or to AltaGas as follows:

Computershare Trust Company of Canada
9th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Attention: Dividend Reinvestment Department

Telephone: 1-800-564-6253
Fax: (416) 263-9394
Toll Free Fax: 1-888-453-0330

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Attention: Vice President and Treasurer
Fax: (403) 691-7576
Email: ALTreasury@altagas.ca