

AltaGas Ltd.
National Bank Financial
2011 Renewable Power and Clean Tech Forum

David Harris, President Power

May 17, 2011

Forward-looking information

Certain information presented today may constitute forward-looking statements with respect to AltaGas Ltd. Such statements reflect the Company's current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and are subject to certain risks which could cause actual performance and financial results to vary materially from those contemplated in the forward-looking statements. For additional information on these risks, see the Company's Annual Information Form under the heading "Risk Factors".

AltaGas Ltd. (TSX:ALA)

Diversified energy infrastructure

- Enterprise value \$3 billion
- Natural gas gathering and processing liquids extraction, and storage
- Gas-fired, coal and renewable power generation
- Natural gas distribution utilities

Financial strength

- BBB (stable) credit rating
- Bank liquidity of \$1 billion
- Debt-to-total capitalization 43 percent

Quality growth opportunities

- Double EBITDA by 2016
- Reduce business risk
- Increase renewable portfolio
- Reduce emissions intensity

We're a leading energy infrastructure company

Gas



Asset Base

- 1.6 Bcf/d interests in six extraction facilities
- 1.2 Bcf/d gas processing
- 60,000 Bbls/d fractionation capacity
- 0.55 Bcf/d in gas transport and 152,000 Bbls/d in NGL transport
- 50 percent interest in 5.3 Bcf gas storage facility

Growth

- 120 Mmcf/d Gordondale gas plant under development
- 250 Mmcf/d Harmattan Co-stream project under construction
- Shale, tight gas, liquids rich opportunities
- Gas storage opportunities in Nova Scotia and Michigan

Power



Asset Base

- 353 MW coal-fired
- 54 MW gas-fired
- 102 MW wind

Growth

- 195 MW Forrest Kerr hydro (COD 2014) under construction
- 82 MW McLymont, Volcano hydro (COD 2015/16) under development
- 15 MW cogeneration under construction
- 6 MW waste heat recovery under development
- 1,500 MW wind under development

Utilities




Asset Base

- Natural gas distribution in Alberta, Nova Scotia, and NWT
- 75,000 customers
- \$286 million rate base

Growth

- Over \$200 million capex over next five years
- 9 percent annual rate base growth over next 5 years in Alberta (16 percent in 2011)
- Nova Scotia rate base growth more than 50 percent 2009-2011 (25 percent in 2011)

Building a diversified energy portfolio

-  Gas plant
-  Gas plant under development
-  Extraction plant
-  Storage facility
-  Storage facility under development
-  Coal-fired power
-  Gas-fired power
-  Gas-fired power under construction
-  Waste heat under construction
-  Hydro power
-  Hydro power under development
-  Hydro power under construction
-  Wind power
-  Wind power under development
-  Utilities



Significant progress on capital growth plans

Objective:

- \$2 billion in organic growth (2010-2016)

2010 progress report:

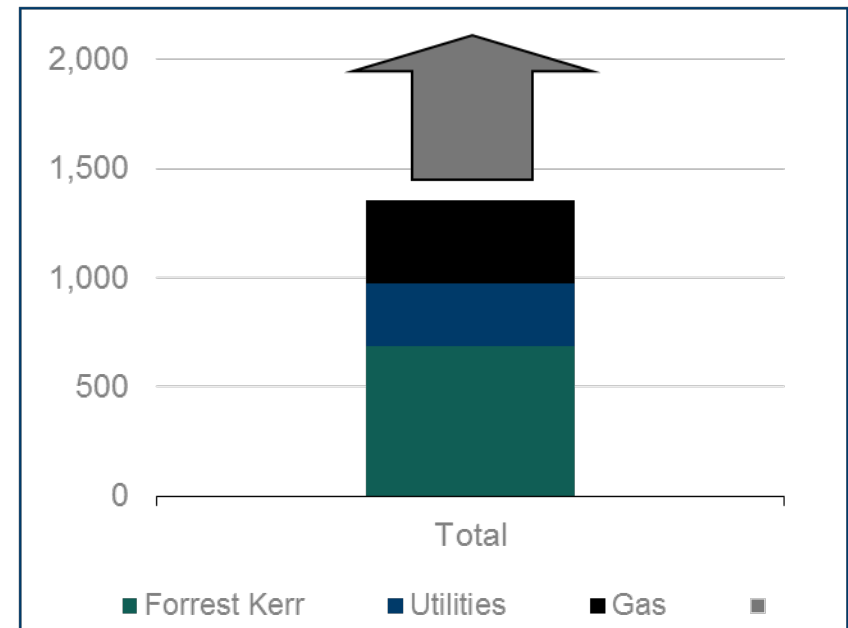
- Approximately \$1.4 billion in committed growth capital secured (includes 2010 – \$200 million)

Awaiting regulatory approval:

- Gordondale (\$235 million)

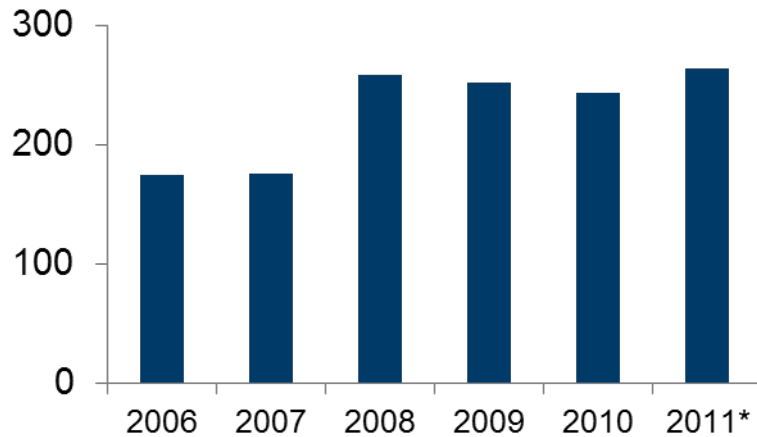
+\$500 million in additional high potential growth projects:

- Wind projects, additional run-of-river hydro projects, natural gas gathering and processing, liquids extraction and storage projects



Stable cash flow and earnings

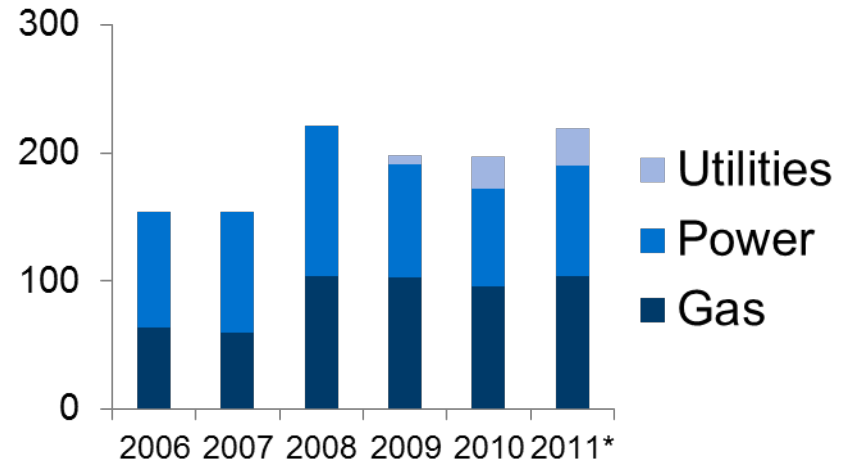
EBITDA



- EBITDA: \$244 million
- Funds from operations: \$195 million
- Normalized FFO payout: 56%
- Dividend: \$1.32

*TTM ending March 31, 2011

Operating income



- Operating income: \$152 million
- Net income: \$97 million
- Net income per share: \$1.19

Our Gas portfolio










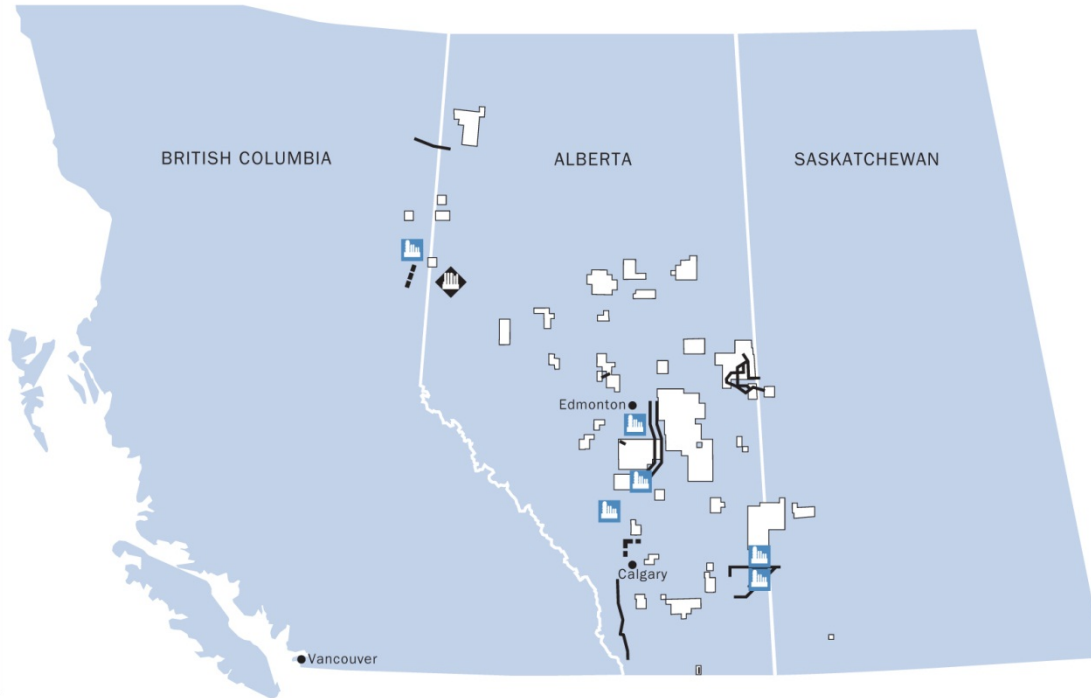
ONTARIO



NOVA SCOTIA



-  Extraction Plant
-  Gas Plant Under Development
-  Transmission Pipeline
-  Pipeline Under Development
-  Field Gathering & Processing Area
-  Storage Facility
-  Storage Facility Under Development



Employing clean technology in Gas

Heat recovery

- Captures the exhaust heat from natural gas turbines and uses it to supply heat to the fractionation process

Flare gas recovery

- Captures and recovers gas from various low-pressure streams resulting from normal processing operations which would commonly be flared

CO2 recovery

- Captures the CO2 out of the acid gas stream and sell to marketers for well stimulations

Acid gas injection

- By-products of the gas sweetening process are injected into gas reservoirs instead of burning

Harmattan Complex gas initiatives

Heat recovery:

- Residue gas compression, operational since 2008
 - Increase plant fuel efficiency – 5%
 - Creates emissions performance credits 13k tonnes of CO₂ equivalent each year
 - Recovery of 201,538 GJs in 2010
 - Savings of approximately \$1.0 million in 2010
- Refrigeration compression, expected in service 2012

Harmattan Complex (continued)

Flare Gas Recovery Unit (FGRU):

- In service 2008
- The FGRU recovers 628GJ/day
- Cost savings of \$2k/day
- Emissions reduction of 20k tonnes in 2010

CO2 recovery:

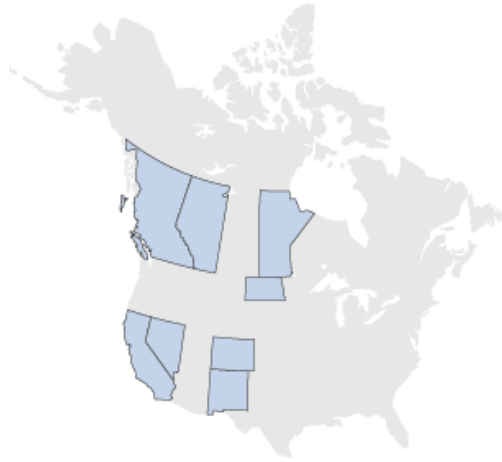
- Producing approximately 50k tonnes of CO2 for sale per year
- Average revenue of \$110k/month










Other clean technology initiatives

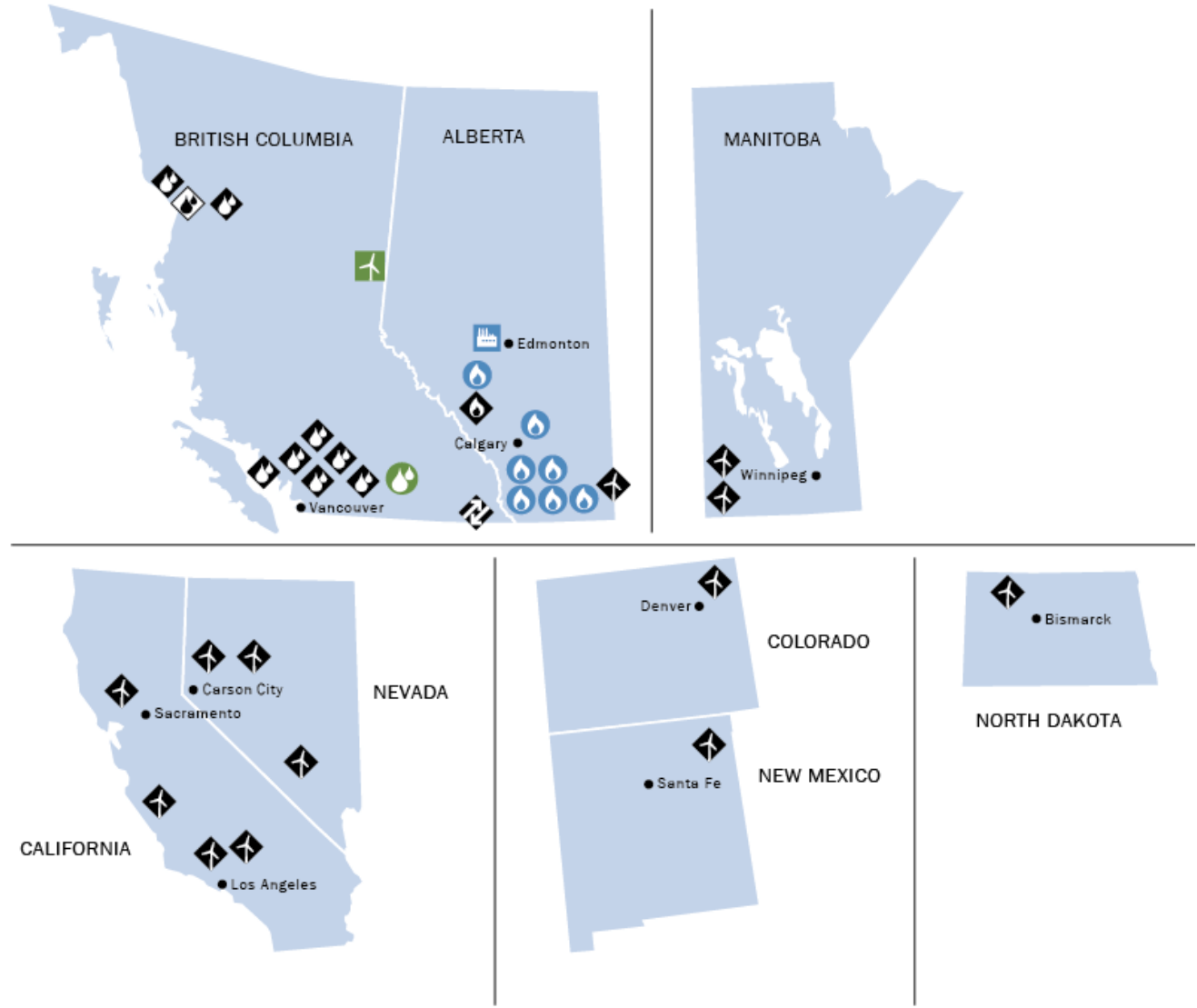
Acid gas injection:

- Bantry, Princess, Pouce Coupe and Turin
 - Generating emissions offsets = approximately \$9.2 million in 2010
 - Increase efficiency with more methane to market
 - 95k tonnes of CO₂ re-injected last year

Our Power portfolio



-  Coal-Fired Power Generation
-  Gas-Fired Power Generation
-  Gas-Fired Power Generation Under Development
-  Wind Power Generation
-  Wind Power Generation Under Development
-  Hydro Power Generation
-  Hydro Power Generation Under Development
-  Hydro Power Generation Under Construction
-  Waste Heat Recovery Under Development



Renewable and clean technology in Power

Renewable:

- Wind power
- Run-of-river power



Clean technology:

- Cogeneration
- Waste heat recovery



Harmattan Complex power initiatives

Cogen I and II:

- 15MW, in service Q4, 2010
- Increase plant fuel efficiency – 15%
- We are reducing our CO2 equivalent by 44,000 tons/year
- The facilities consist of natural gas turbine/generators producing electricity into the power pool and a duct fired heat recovery steam generator (HRSG) providing steam to the gas plant.
- provides us with the steam required to process gas along with the production of electricity for use to power co-stream requirements and office uses.
- Capital cost estimate: \$44 million
- 15MW under development, expected in service Q2, 2012

Crowsnest Pass project

Waste heat recovery project in Sparwood, BC:

- 6MW, 60% interest
- Using the exhaust of gas turbines that would otherwise be vented to the atmosphere. Use the steam to create electricity which will be sold to the grid with no emissions.
- In service estimate: Q1 2012
- 20 year EPA with BC Hydro
- Capital cost estimate: \$13 million

Delivering successful renewable power projects

- Efficient geographic footprint
- Strong contractual underpinnings / low cost
- Proximity to transmission and markets
- Minimal impact to environment
- Class 2 wind or better
- Permitability
- Road access
- Balance capacity factor with financial risk

Renewable power – Bear Mountain Wind Park

- 102 MW
- Operational since Oct 2009
- 25 year EPA with BC Hydro
- Ecologo, GreenE, California RPS Certified
- Own Renewable Energy Credits (REC)



Wind Power – 260 MW advanced development

Walker Ridge (70 MW) in California

- Five years wind data
- Good access to transmission and market
- Interconnection agreement signed
- Approval to construct, seeking Record of Decision from BLM through National Environmental Policy Act (NEPA) process in late 2011, early 2012

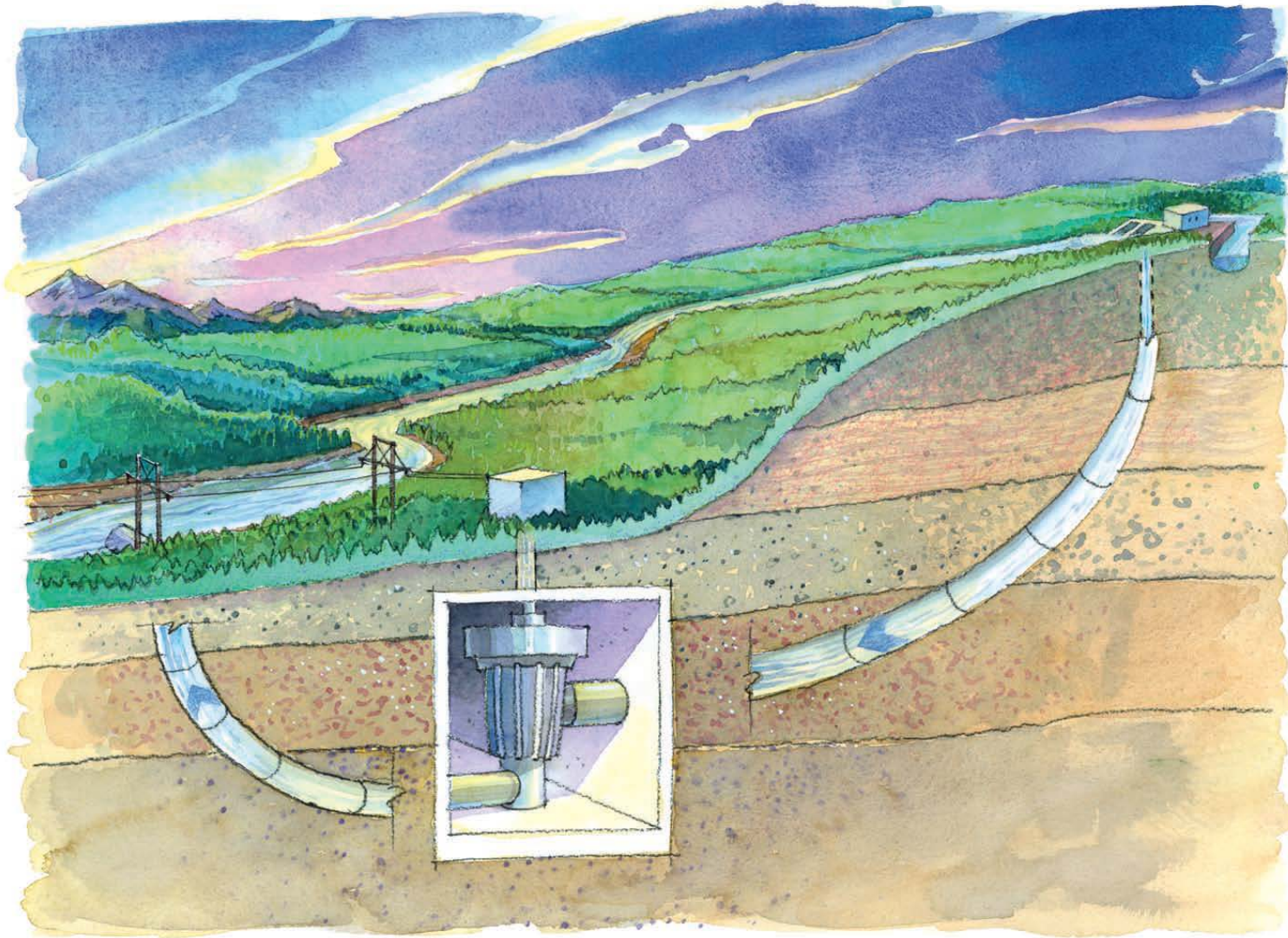
Glenridge (100 MW) in Alberta

- Good wind data
- Close to fully permitable
- Good access to transmission and market

Rough Rider (90 MW) in North Dakota

- Easements for ~27,000 acres on private land
- Potential for an incremental 100 MW
- Good access to transmission and market

Renewable energy – run-of-river



Run-of-river - NW Projects

Forrest Kerr

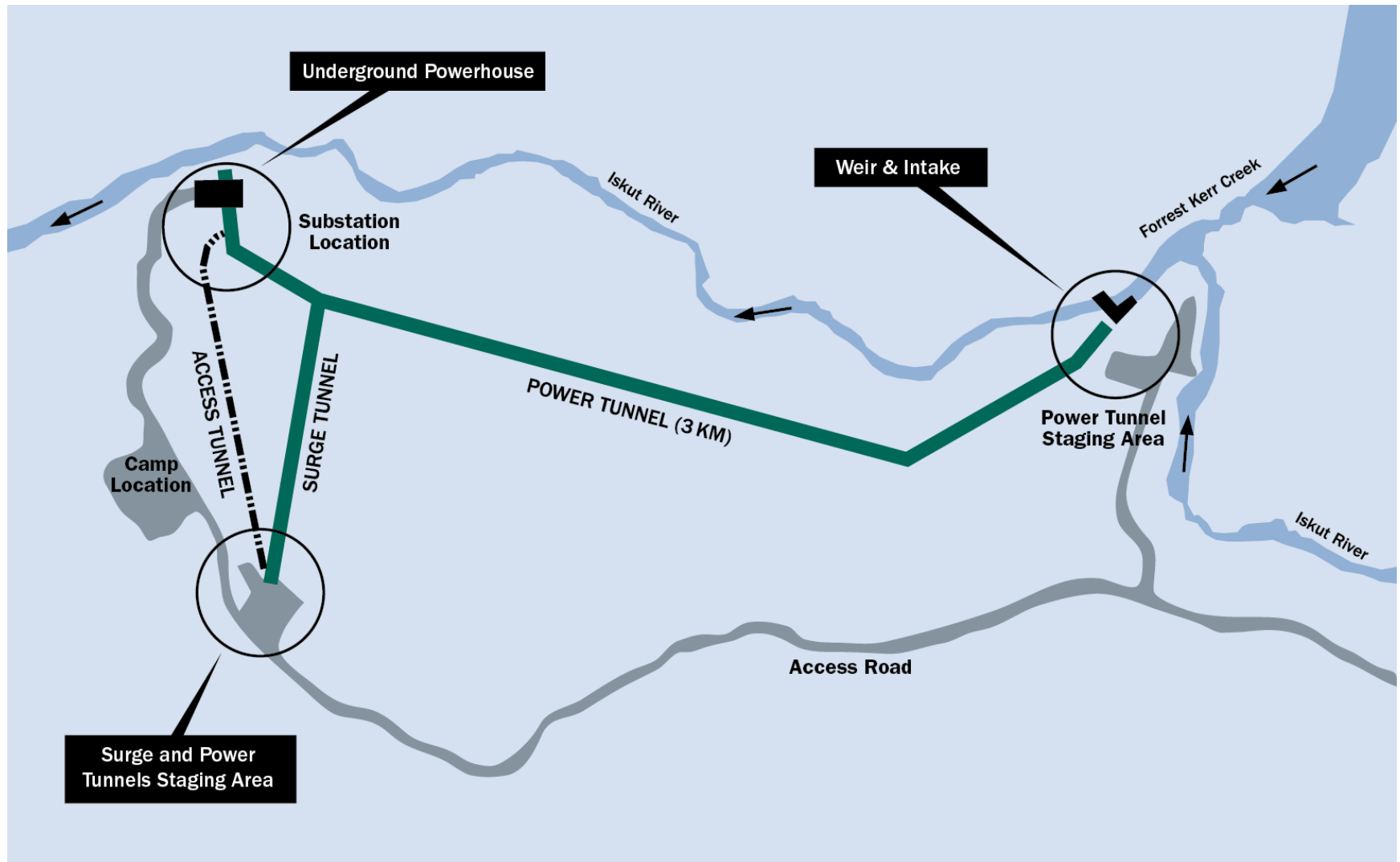
- 270 MW capacity, in service mid-2014
- 55 percent capacity factor
- 60 year EPA with BC Hydro, 100 percent CPI indexed
- Expect after-tax unlevered IRR in low double digits
- Capital cost estimate: \$700 million (\$580 million construction)
- 90 percent of capital costs fixed by 2012
- Mobilized camp March 1, 2011
- Tunneling underway

McLymont and Volcano Creek

- Two developments totaling approximately 80 MW capacity
- In-service estimate: 2015-2016
- Negotiations underway
- Permitting, engineering and planning underway
- Capital cost estimate: \$300 million



Forrest Kerr - tunneling



Headwork and intake area



Construction activities - tunneling

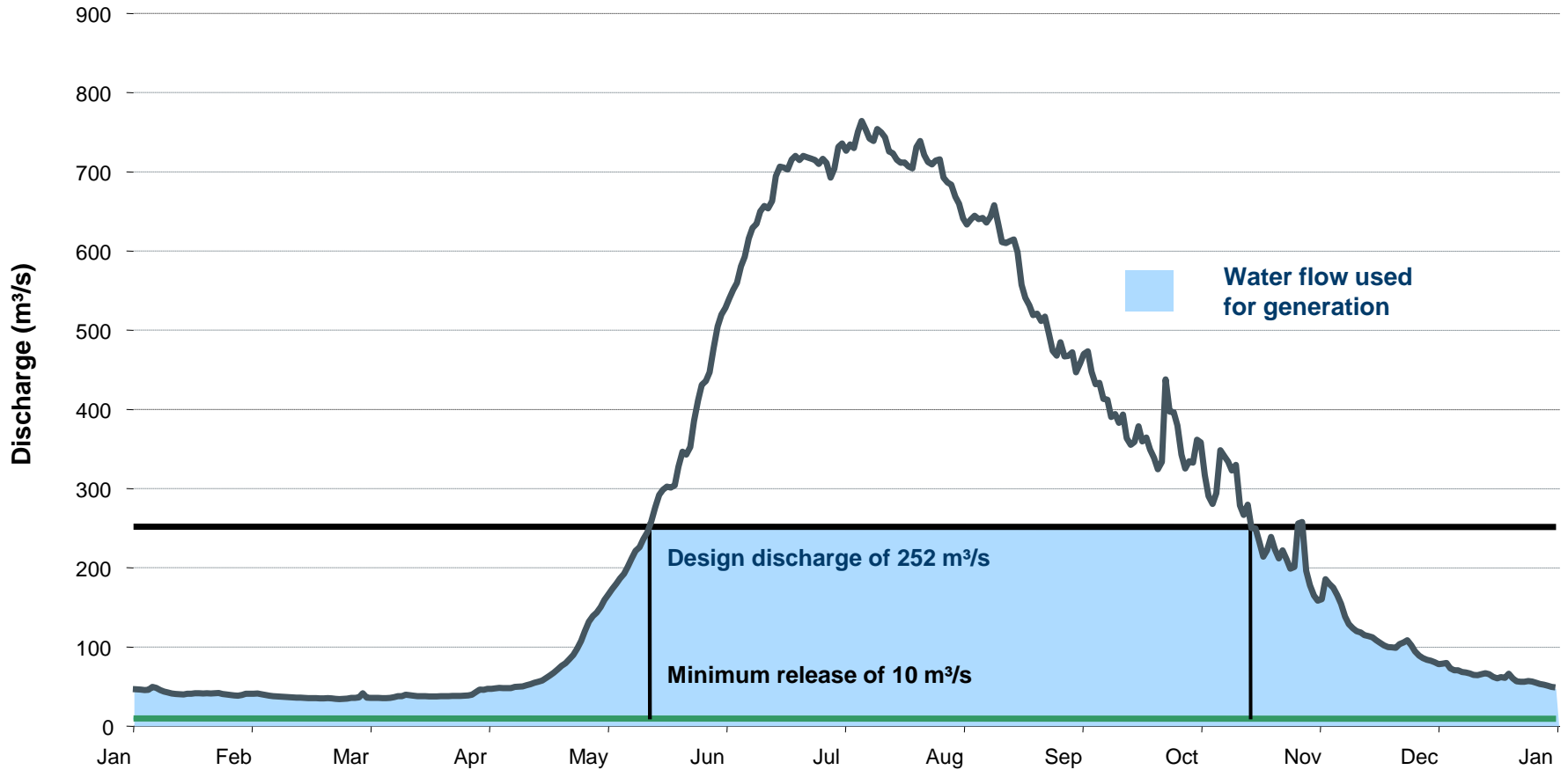
- Total linear meters of tunneling: 4,870m
- Tunnel dimension: 10mX10m
- Three portals/access points
 - Power tunnel intake
 - Access tunnel
 - Tailrace discharge
- Keys to successful tunneling:
 - Consistent stable rock formation
 - No major fault line interferences
 - Multiple tunneling access points
 - Two contractor approach to tunneling
 - Expected rate of tunneling: 12m/day (consistent with industry average)



Aerial view of camp site and staging areas



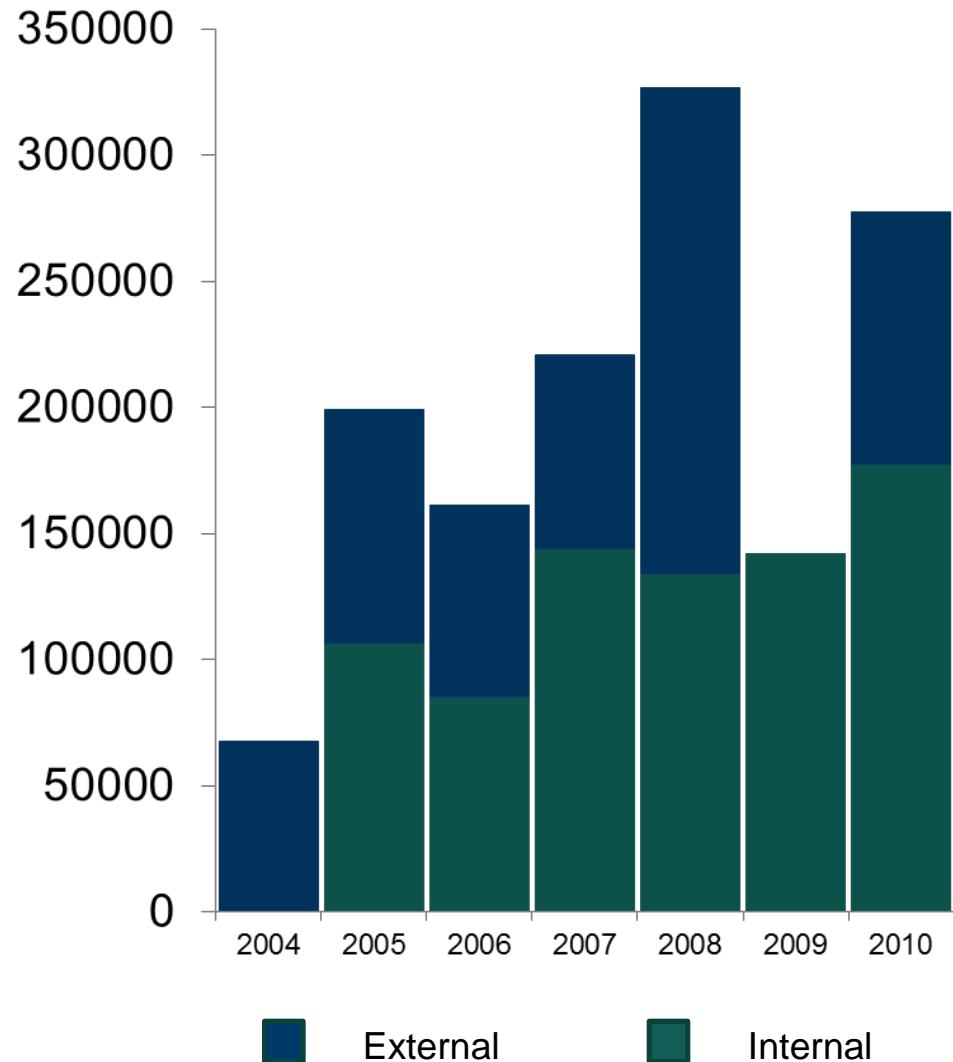
Predictable, sustainable hydrological data



Generates at 100 percent capacity from mid-May through mid-October

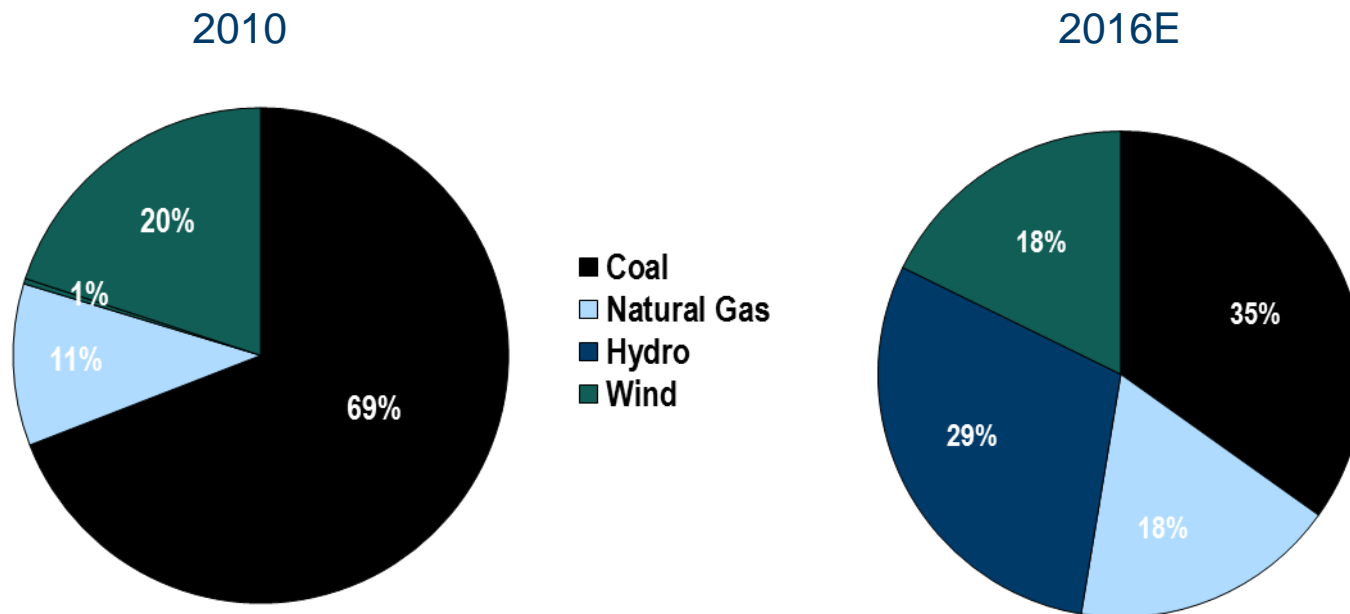
Offsetting our CO₂ emissions

- Reduced our GHG emissions by 1.3 million tonnes
- Reduced our GHG compliance costs by \$5.6 million



Building a diversified power business

Generation Capacity by Fuel Type



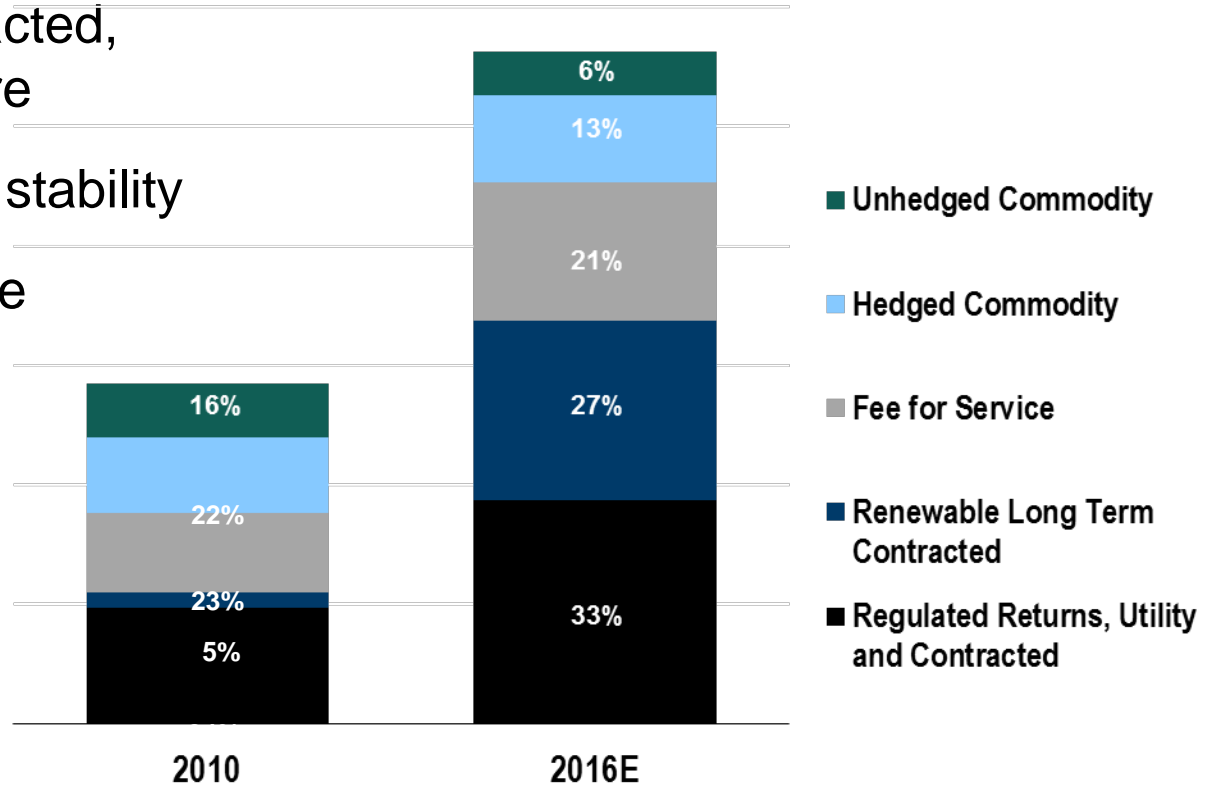
Heritage Gas Ltd. – providing a cleaner option

- Gas provides a 30-50% emissions advantage over oil
- Heritage Gas customers' cumulative CO2 reductions at the end of 2010 were over 100,000 tonnes
- Partner with Efficiency Nova Scotia to promote the conversion to natural gas
- Projected rate base growth 25%



Growing and diversifying EBITDA

- Growing earnings
- Adding highly contracted, long-life infrastructure
- Enhancing earnings stability
- Increasing renewable portfolio
- Reducing emissions intensity



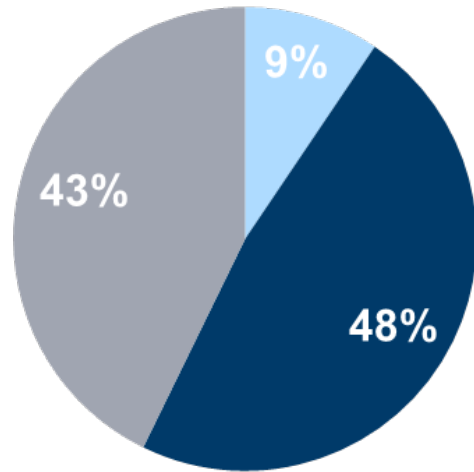
Funding our 2011-2016 committed capital



- Ample liquidity to fund 2011-2016 current committed capital program

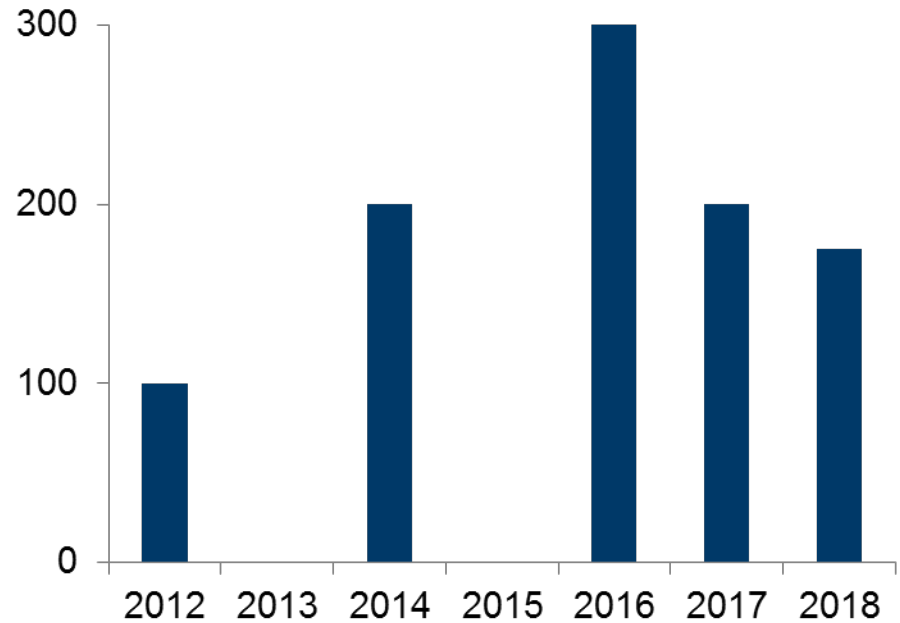
*Proforma for new LC facility in April

Financial discipline



■ Preferred Shares ■ Equity ■ Debt

- Strong balance sheet



- Balanced debt maturity profile

Looking forward

2011

- Stronger results from all businesses
- Gordondale Phase I complete
- Younger pipeline complete
- Higher deferred taxes (non-cash taxable until 2016)

2012

Projects in service:

- Co-stream
- Cogen II
- Waste heat recovery
- Gordondale

AltaGas is a good place to be

Attractive portfolio of energy infrastructure assets

- Strong, diversified asset base of gas, power and utilities
- Capital growth focused on stable, long-term contracted projects and regulated asset growth
- Opportunities to grow renewables and reduce emissions intensity

Financially stable

- Strong balance sheet and ample liquidity
- BBB stable credit rating
- Proven track record

Significant cash flow and earnings growth expected over the coming years

- Double EBITDA by 2016
- Dividend growth with earnings and cash flow growth

Q & A

Questions?