

AltaGas

Annual Meeting of Shareholders
April 26, 2017



Agenda

Annual Meeting of Shareholders

April 26, 2017

- Annual Report to Shareholders
- Election of Directors
- Appointment of the Auditors
- Advisory Vote on Executive Compensation
- Other Business
- Update from David Cornhill, Chairman and Founder
- Update from David Harris, President and CEO

Election of Directors



David Cornhill
Chairman of the Board



Catherine Best
Member of the Audit and Human Resources committees



Victoria Calvert
Member of the Governance committee



Allan Edgeworth
Chair of the EOHS committee and member of the Audit committee



Daryl Gilbert
Chair of the Human Resources committee and member of the EOHS committee



David Harris
President and Chief Executive Officer of AltaGas



Robert Hodgins
Chair of the Audit committee and member of the Governance committee



Phillip Knoll
Member of the Audit and EOHS committees



David Mackie
Member of the Human Resources and Governance committees



Neil McCrank
Lead Director, Chair of the Governance committee and member of the EOHS committee



David Cornhill
Chairman and
Founder

Forward-looking Information

This presentation contains forward-looking statements. When used in this presentation, the words “will”, “intend”, “plan”, “potential”, “generate”, “priorities”, “goals”, “deliver”, “can”, “continue”, “drive”, “anticipate”, “target”, “come”, “create”, “position”, “achieve”, “seek”, “propose”, “forecast”, “estimate”, “expect”, “solution” and similar expressions, as they relate to AltaGas or any affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among others things, business objectives, strategies, acquisitions, priorities, long-term commitments, expected returns, growth and deliverability of returns, stability and predictability of returns, expected growth (including growth in normalized EBITDA, normalized funds from operations, dividends, customers, rate base and the components thereof) and sources of growth, capital spending, capital allocation, cash flow and sources of funds, results of operations, performance, financial results, expectations regarding growth and development projects and other opportunities (including expected EBITDA contributions, capital expenditures, facility design specifications, location and location benefits, ownership, operatorship, ability to expand, contracting capability, construction expertise, construction and development timelines, capacity, connection capability to infrastructure, transmission options, options for producers, access to markets, creation of hub in the west, potential end markets, sale and purchase of LPG, export capability, sources of supply, tolling arrangements, shipping costs and timeline and targets and expected dates of construction completion, regulatory approvals, final investment decision, in-service and on-stream), expectations of Ridley Island Propane Export Terminal being Canada’s first west coast propane terminal, expectations on future market prices, access to capital markets, liquidity, ability to maintain financial strength, flexibility and credit ratings, ability to maintain a balanced and diversified portfolio of assets, create and enhance social value, expectations for the longevity and reliability of infrastructure assets, expectations regarding the demand for clean energy, ability to add battery storage capacity, expectations regarding growth in low carbon economy and AltaGas’ ability to meet such energy needs, AltaGas’ view with respect to the California power market, future energy needs of California, sources of future supply and opportunities that may become available for existing AltaGas facilities (including procurement opportunities, ability to re-contract Blythe, ability to re-configure and develop solar, energy storage and other renewable projects) ability to grow and improve utilities segment through system betterment, upgrades and Marquette Connector Pipeline, rate cases, recovery through rates, expectations with respect to the combination of AltaGas and WGL and related performance (including the transformative nature of the WGL acquisition, the portfolio of assets of the combined entity, nature, number, value and timing of growth and investment opportunities available to AltaGas, the quality and growth potential of the assets, the strategic fit, the combined rate base and rate base growth, the ability of the combined entity to target higher growth markets, high growth franchise areas, and other growth markets, the liquidity of the combined entity and its ability to maintain an investment grade credit rating, expected timing and capex for certain AltaGas and WGL projects and expected capital investment by business segment, the aggregate cash consideration and sources of financing thereof, the anticipated indebtedness under the bridge facility, selected asset sales and the expected closing date, date of shareholders’ meeting and timeline for obtaining regulatory and other approvals). Information and statements contained in this presentation that are not historical facts may be forward-looking statements.

Forward-looking 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, changes in political environment, changes in tax legislation, general economic conditions, capital resources and liquidity risk, market risk, commodity price, foreign exchange and interest rate risk, operational risk, volume declines, weather, construction, counterparty risk, environmental risk, regulatory risk, labour relations and other factors set out in AltaGas’ continuous disclosure documents. Many factors could cause AltaGas’ or any of its business segments’ actual results, performance or achievements to vary from those described in this presentation including, without limitation, those listed above as well as the assumptions upon which they are based proving incorrect. 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 presentation as intended, planned, anticipated, believed, sought, proposed, forecasted, estimated or expected, and such forward-looking statements included in this presentation herein should not be unduly relied upon. These statements speak only as of the date of this presentation. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

Financial outlook information contained in this presentation about prospective financial performance, financial position or cash flows is based on assumptions about future events, including, without limitation, economic conditions and proposed courses of action, based on management’s assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this presentation should not be used for purposes other than for which it is disclosed herein.

In this presentation we use certain supplementary measures, including Normalized EBITDA and Normalized Funds from Operations that do not have any standardized meaning as prescribed under U.S. generally accepted accounting principles (“GAAP”) and, therefore, are considered non-GAAP measures. These non-GAAP measures provide additional information that management believes is meaningful regarding AltaGas’ operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. AltaGas’ method of calculating these non-GAAP measures may differ from the methods used by other issuers. Readers are advised to refer to AltaGas’ Management’s Discussion and Analysis (“MD&A”) as at and for the three months ended March 31, 2017 for further details on these non-GAAP measures including a description of the manner in which AltaGas calculates such non-GAAP measures, and for a reconciliation to the nearest GAAP financial measure. Readers are also cautioned that these non-GAAP measures should not be considered as alternatives to other measures of financial performance calculated in accordance with GAAP.

Additional information relating to AltaGas can be found on its website at www.altagas.ca. The continuous disclosure materials of AltaGas, including its annual and interim MD&A and Consolidated Financial Statements, Annual Information Form, Information Circular, material change reports and press releases, are also available through AltaGas’ website or directly through the SEDAR system at www.sedar.com and provide more information on risks and uncertainties associated with forward-looking statements.

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AltaGas' Board of Directors

Role of the Board

- To ensure the company remains strong
- To ensure safety for employees, communities and the environment
- To balance the competing interest of the shareholders, bondholders, employees, First Nations, communities and environment within the regulatory framework developed by governments

Board Diversity

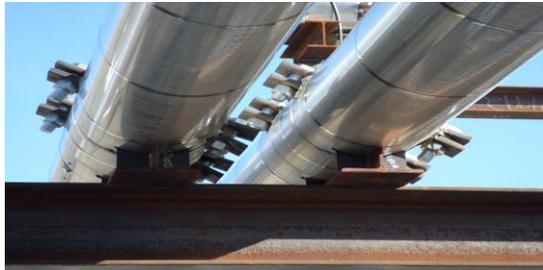
- Diversity of thought
- Diversity of minorities and gender



**Ultimate Goal of Maximizing Value
for all Stakeholders**

Meeting the energy needs of a growing low carbon economy

AltaGas develops, constructs, operates and owns clean energy infrastructure



Gas

Safe, reliable and cost effective infrastructure provides producers access to North American and international markets



Power

Safe, reliable and cost effective electricity through investments in renewable (hydro, wind, biomass and solar), high efficient natural gas generation and storage



Utilities

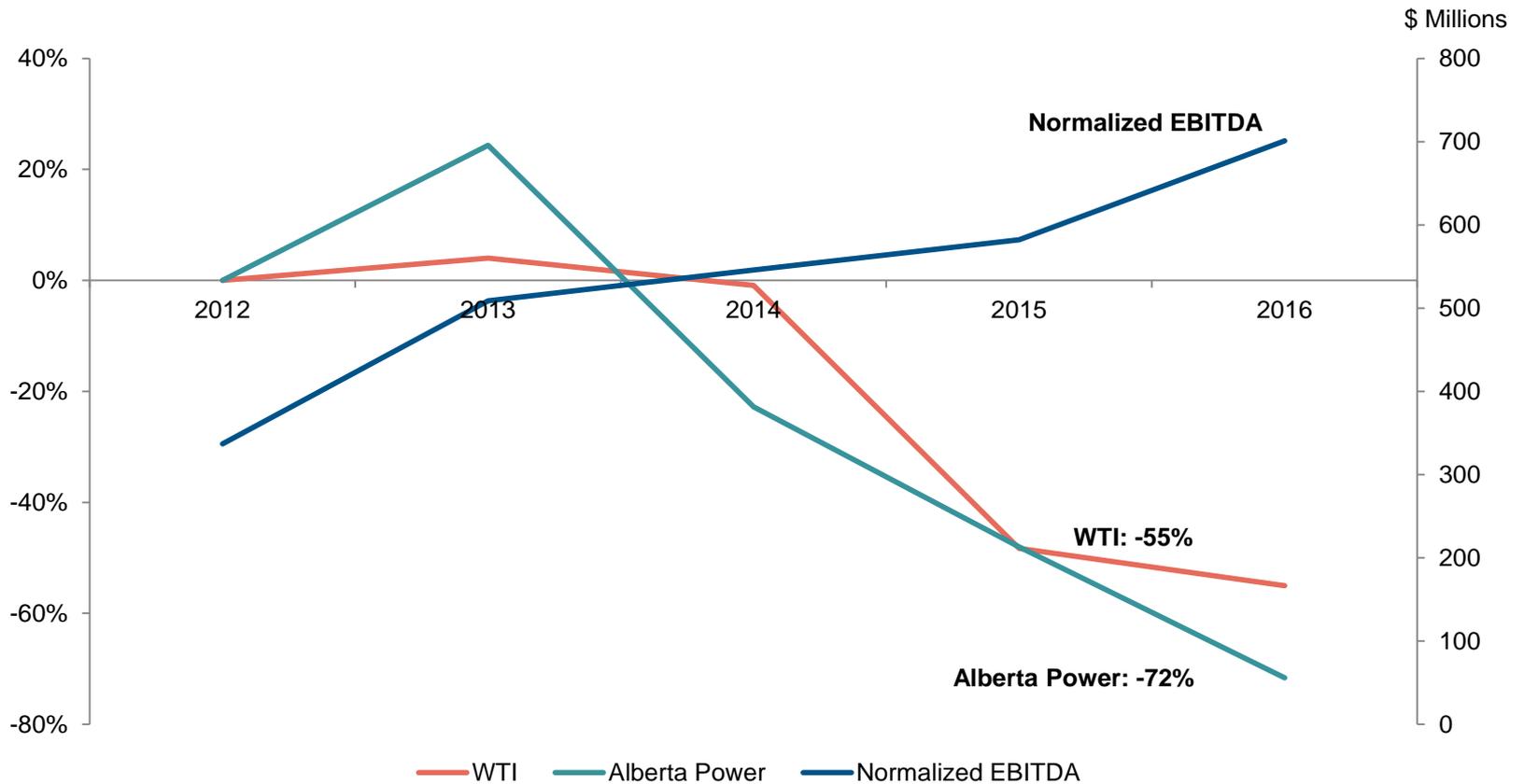
Safe, reliable and cost effective natural gas to customers. We work with customer to increase the efficient use of natural gas



Acquisition fits right in our strategic fairway

Impact of commodity downturn

Strategy has insulated the impact to results throughout the economic downturn





David Harris
President and
Chief Executive Officer

Strong Leadership Team in Place



David Harris

President and Chief Executive Officer



Tim Watson

Executive Vice President
and Chief Financial
Officer



John Lowe

Executive Vice President



Corine Bushfield

Executive Vice President,
Chief Administrative Officer



John O'Brien

President AltaGas
Services (U.S.) Inc.



Brad Grant

Vice President and
General Counsel



Randy Toone

Executive Vice President,
Commercial and Business
Development

AltaGas Today

~2 Bcf/d of natural gas transacted

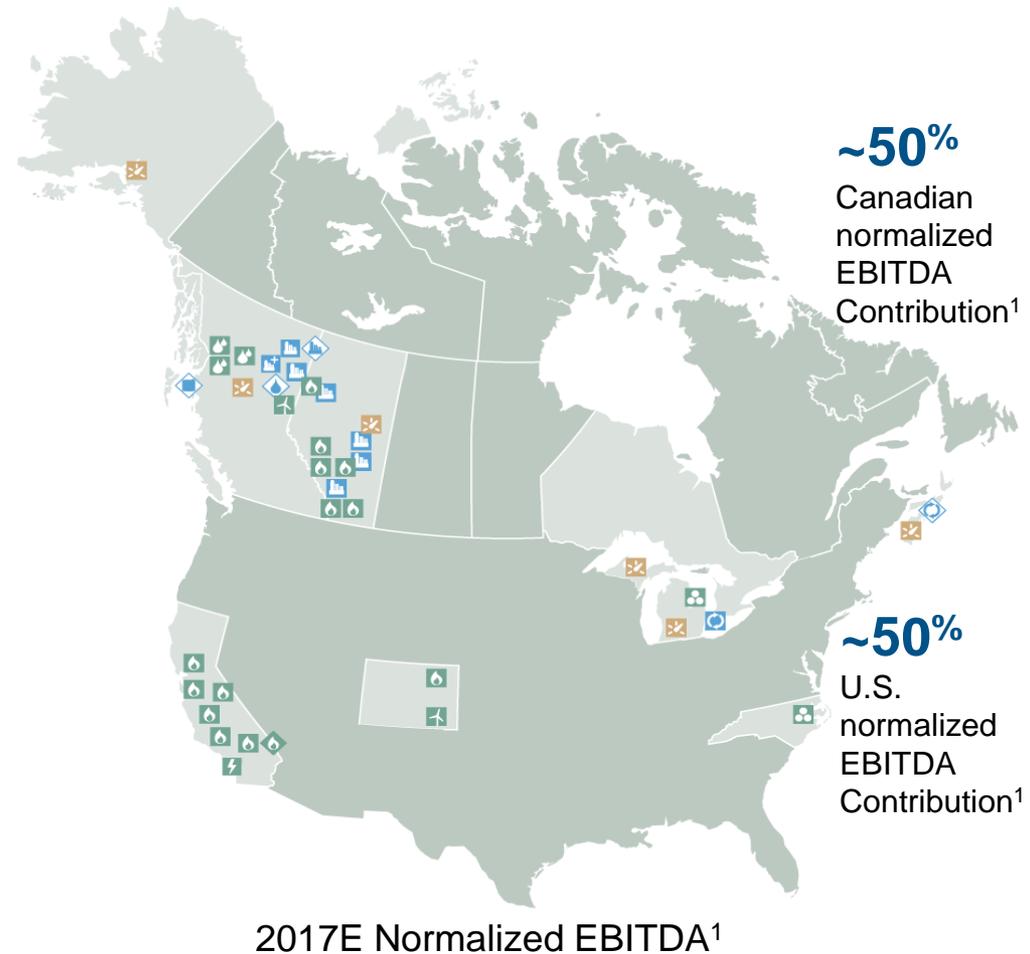
Processing and moving natural gas and natural gas liquids to key markets including Asia

1,688 MW of power generation in four fuel types and 20 MW of energy storage²

Generating clean energy with natural gas and renewable sources

5 Regulated Gas Distribution franchises serving over 570,000 customers

Delivering clean and affordable natural gas to homes and businesses



Vision and Strategy



Vision

To be a leading North American energy infrastructure company

Strategy

To realize opportunities created by the renaissance of natural gas and by the increasing demand for clean energy

Energy Infrastructure

Develop, construct, operate and own

Strategy in Focus

Shareholder Value

Deliver secure, growing returns to shareholders through a solid yield and growth model.

Asset Base

Maintain a balanced and diversified portfolio of energy infrastructure assets in Gas, Power and Utilities.

Growth

Execute on over \$2.5 billion of growth opportunities in all 3 business segments.

Financial Stability

Maintain financial strength and flexibility with solid BBB credit rating and remain disciplined in capital allocation.

Social Value

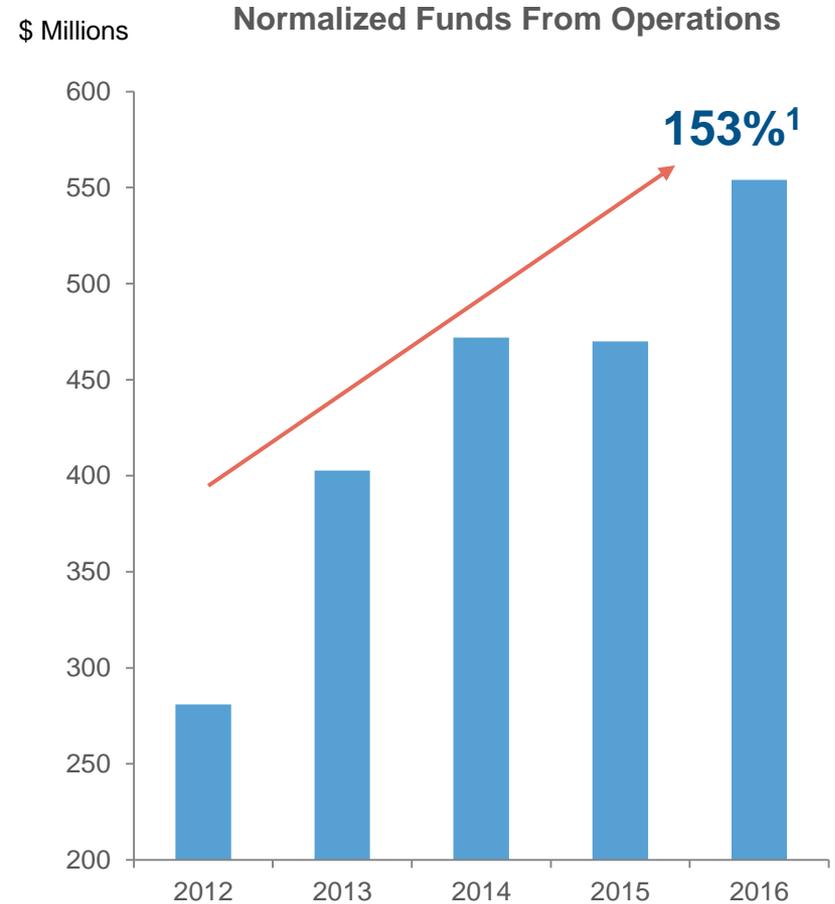
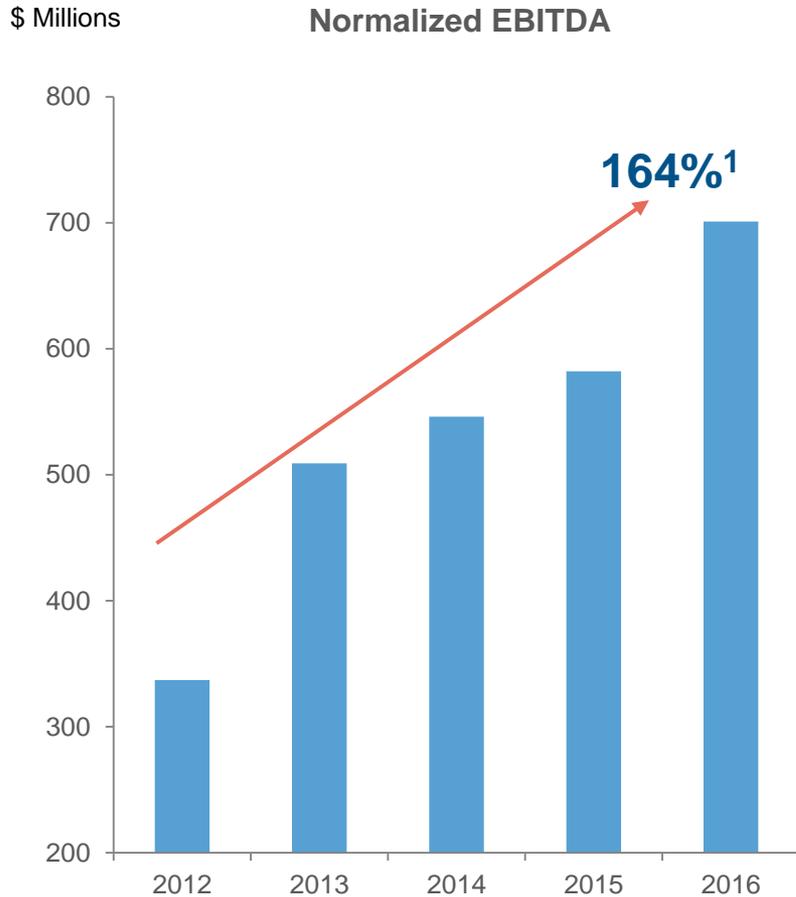
Committed to safety and the creation of social value.

Long-Term commitment to all three business segments:



Delivering Results in Challenging Markets

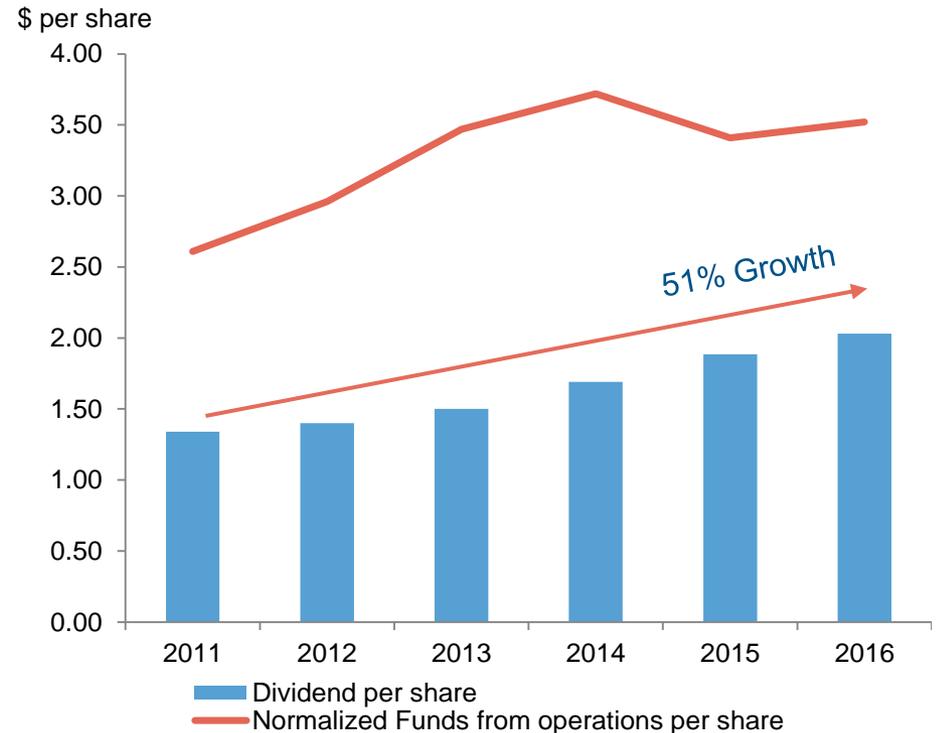
Diversified business lines provide strong, stable and predictable returns



Growing Cash Flow Supports Dividend Growth



Strong execution on transformational acquisitions and projects leads to growth in our highly contracted cash flow



2016 Accomplishments

- Announced ~\$1 billion in permitted projects, a significant advancement of our northeast B.C. strategy.
- Began commercial operations, on-time and on-budget, of the Pomona Energy Storage Facility.
- Safely commissioned the 198 Mmcf/d Townsend shallow-cut processing facility on-time and under budget.
- Filed application seeking approval to construct, own, and operate the Marquette Connector Pipeline.



2017 Priorities

- Significantly advance construction of the Ridley Island Propane Export Terminal and ensure we continue to track to a Q1 2019 start up while remaining on-budget.
- Complete Townsend 2a on-time and on-budget.
- Substantially complete North Pine NGL separation facility; to be in-service in Q1 2018.
- Add 20 – 40 MW of additional battery storage capacity.
- Finalize rate case in Q3 2017 for ENSTAR and submit rate case application for CINGSA.
- Receive approval for Marquette Connector Pipeline application.
- Focus on continuous improvements in safety, social responsibility and creation of social value.
- Work towards mid-2018 closing of the transformative \$8.4 billion WGL acquisition.

Deliver high single digit percentage

EBITDA¹ and FFO¹ growth.



Q1 2017 Financial Highlights

Normalized **EBITDA** increased **28%** to \$228 million

Normalized **funds from operations** were \$170 million, an increase of **29%**

EPS increased by **50%** to \$0.39 per share

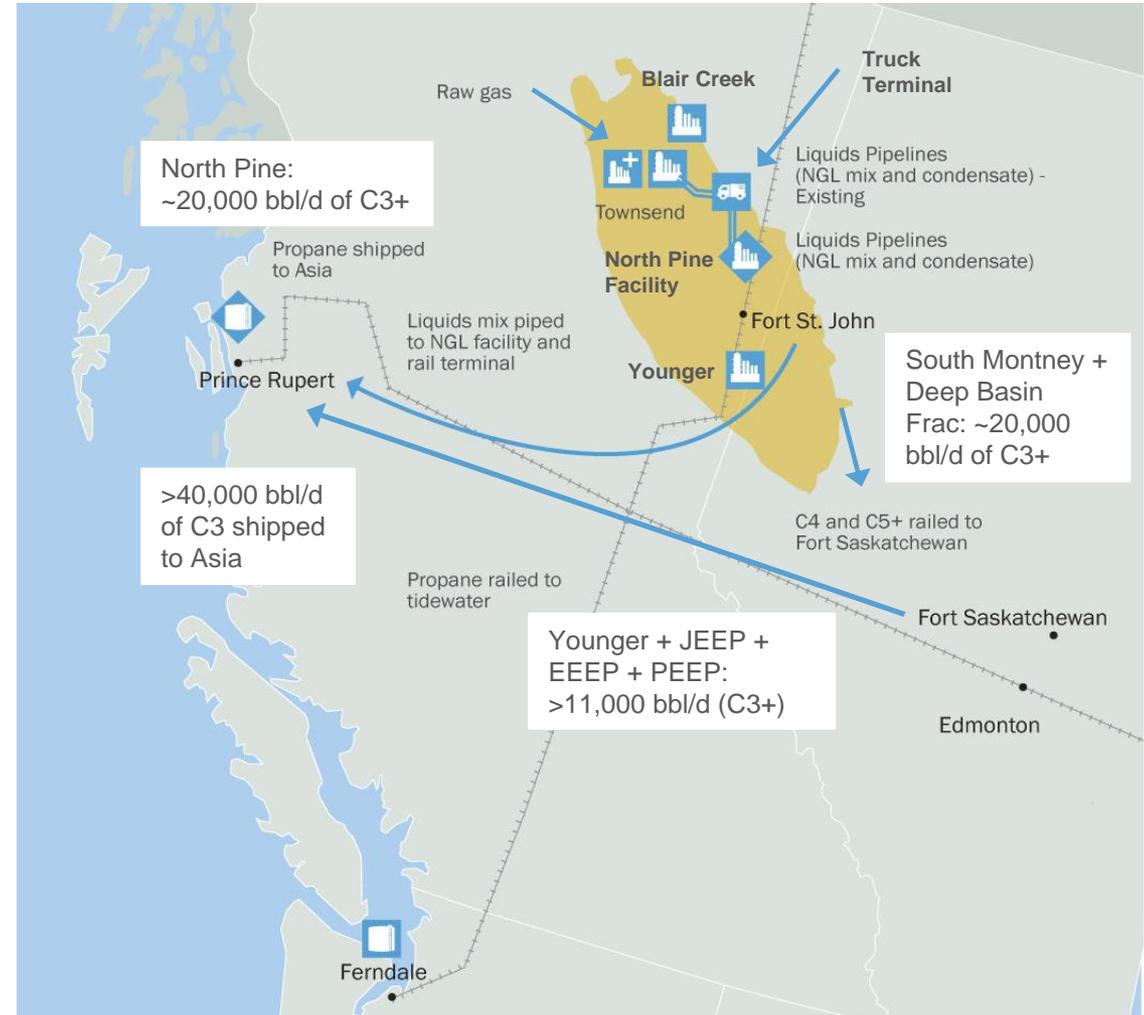
Strong results were driven by:

- Full quarter contributions from Townsend and Pomona Energy Storage Facility
- Absence of equity losses from the Sundance B PPA terminations
- Strong Petrogas results
- Colder weather at certain Utilities
- Higher realized frac spread and increased volumes



Building Infrastructure to Serve New Markets

- AltaGas' strategy will allow producers to move natural gas and natural gas liquids to multiple markets.
- AltaGas is poised to create a hub for new markets to the west.
- AltaGas plays a part in the Fort Saskatchewan traditional gas hub – moving gas to the east.



Key Projects in our Energy Value Chain



Townsend 2

- 99 Mmcf/d Townsend 2a expansion expected on-stream October 2017
- Townsend 2b is under development with a target on-stream date later in 2018



North Pine

- Up to 20,000 Bbls/d liquids separation facility located near Fort St. John, B.C.
- Site preparation for the first NGL separation train is underway with the expected on-stream date in Q1 2018
- Well connected by rail to Canada's west coast, including the Ridley Island Propane Export Terminal

Ridley Island Propane Export Terminal

Expected to be Canada's first West Coast propane export terminal

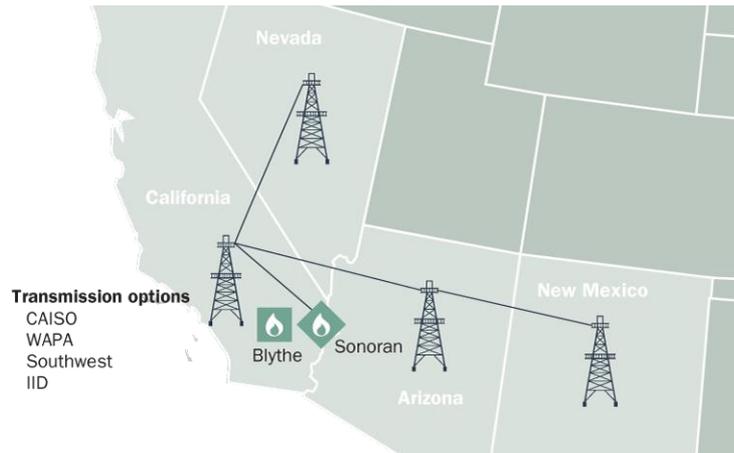
- FID announced January 2017 with expected on-stream date of Q1 2019
- Brownfield site includes existing world class marine jetty with deep water access, excellent railway access and short shipping distance to Asian markets
- ~10 day vs. ~25 days from the U.S. Gulf Coast
- 40,000 bbls/d of export capacity
- Astomos Energy Corporation to purchase 50% of the propane shipped from the facility
 - Significant interest from Astomos and other's for remaining offtake
- ~50% of propane to be supplied from existing AltaGas facilities, new plants under construction and in active development



Well Positioned in California

Blythe is a proven brownfield site well positioned to take advantage of future opportunities

- Expected to re-contract post-2020 with SCE or other customers
- Site can provide a wide variety of energy products including gas-fired generation, energy storage, and solar

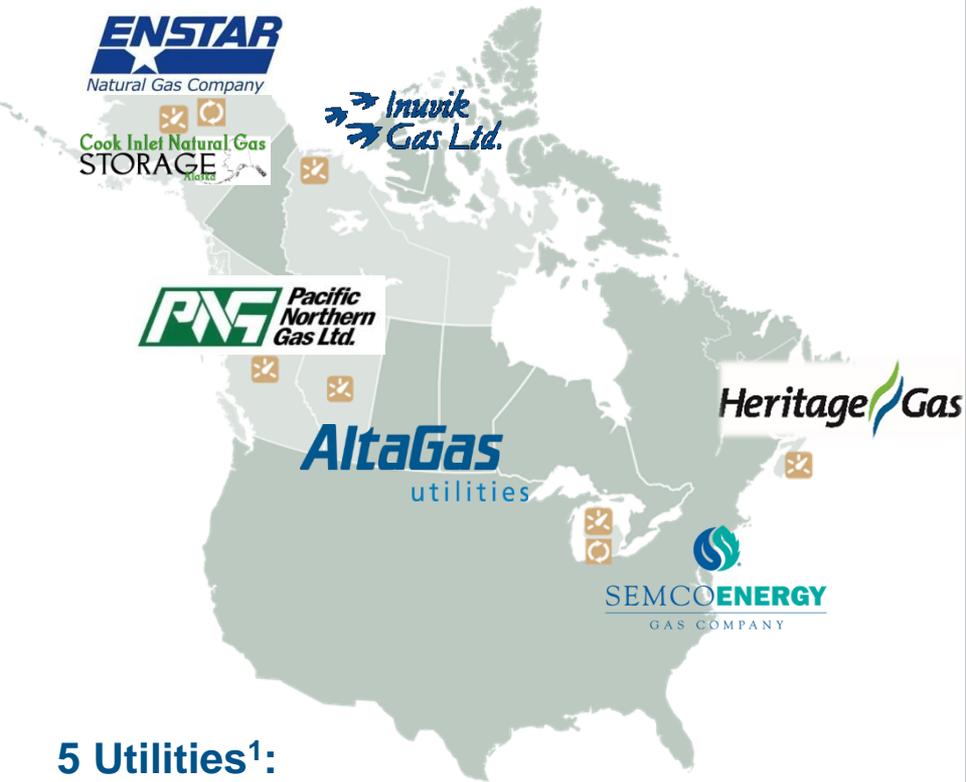


Growing energy storage market

- California sites well positioned to accommodate incremental battery storage projects
- AltaGas expects approximately 740 MWs are still to be procured by 2020
- Majority of remaining procurement expected in northern California



Growing and Improving our Utilities

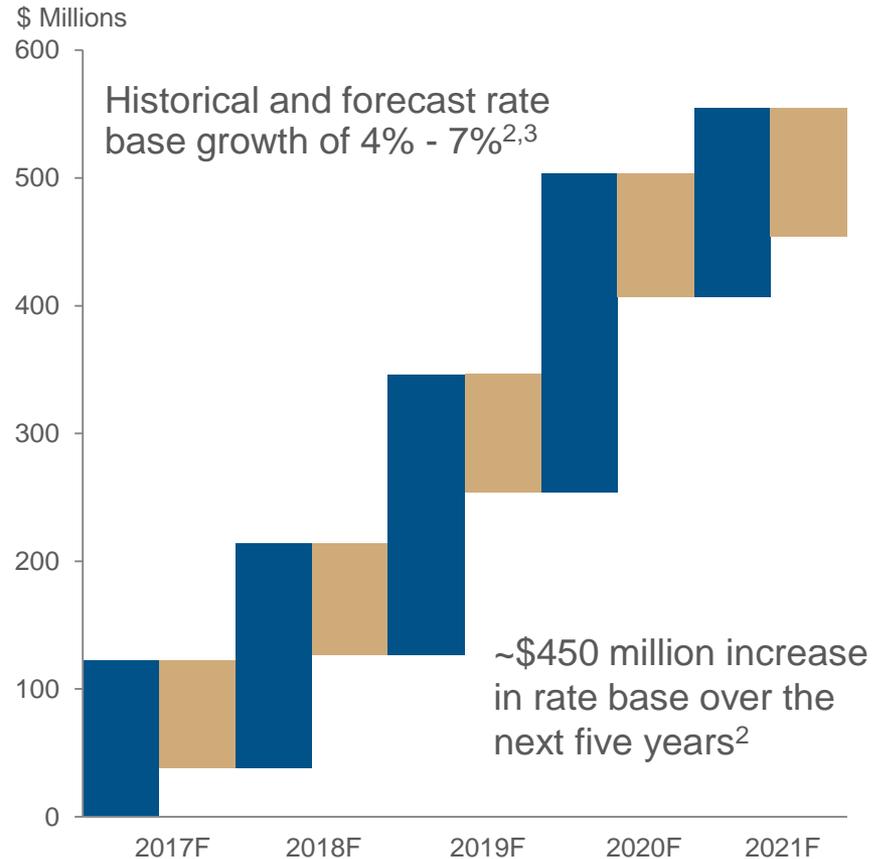


5 Utilities¹:

Serving over 570,000 customers;
~22% Canada and ~78% US

Rate base: ~\$1.9 billion²

System betterment program and upgrades underway at all Utilities



Michigan Growth Opportunity

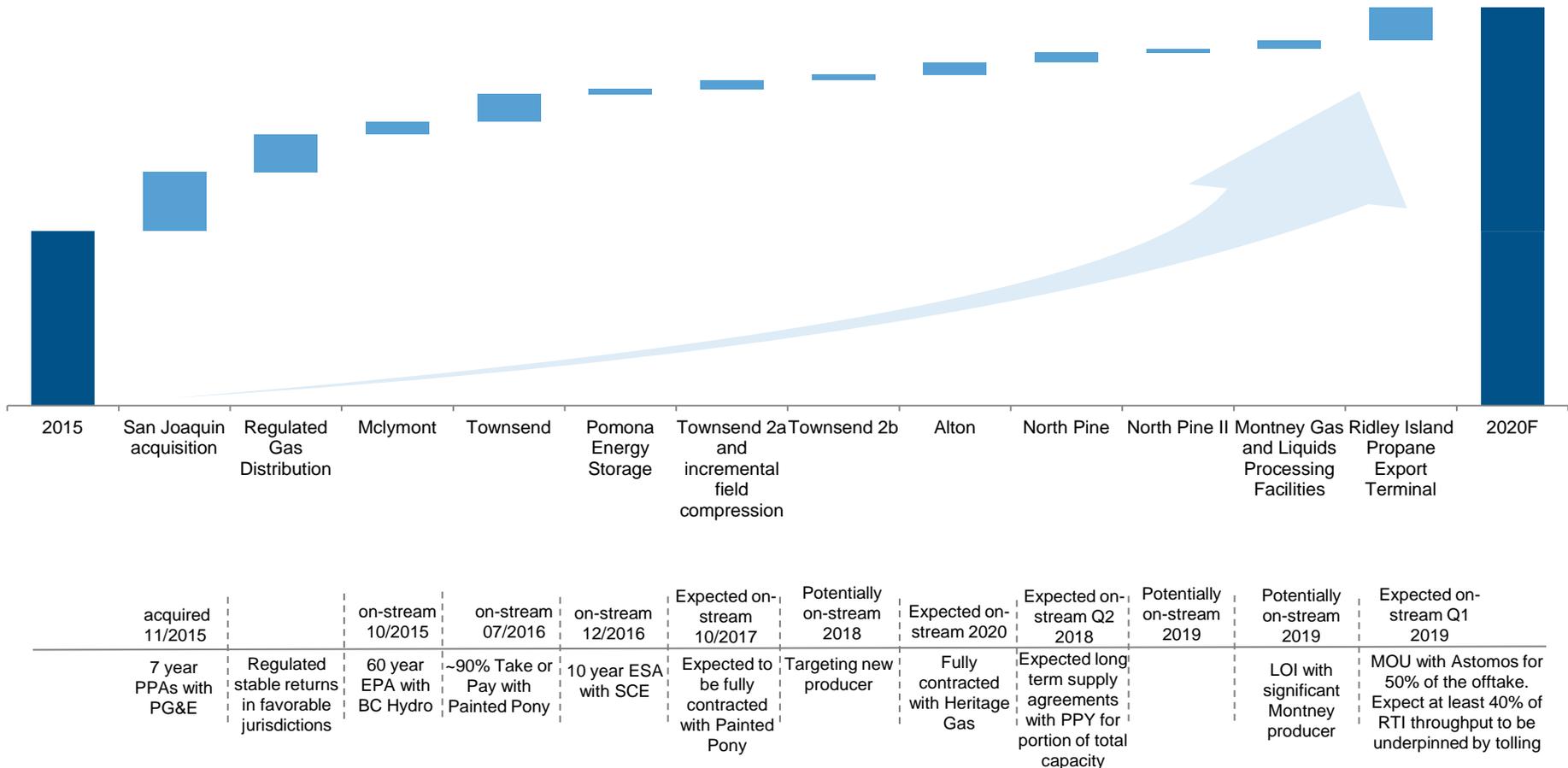
Marquette Connector Pipeline

- Proposed pipeline that will connect the Great Lakes Gas Transmission pipeline to the Northern Natural Gas pipeline in Marquette, Michigan.
- Act 9 application filed in December 2016 to construct, own, and operate the facility.
- Provide additional supply options to SEMCO's 35,000 customers.
- Cost ~ \$180MM to \$185MM.
- Expected to be recoverable through general base rate case.
- Decision expected Q4 2017, followed by development in 2018, construction in 2019, and commercial operations date in 2020.



Committed Projects Highly Contracted

Over 60% EBITDA growth from committed projects, projects in advanced development and growth in regulated Utilities¹



¹ Expectations for normalized EBITDA as at February 23, 2017, based on mid-point of multiple and capital spending range from Capital Spending Plans slide See "forward-looking information"

Commitment to Enhancing Social Value



First Nations

Building long-term, mutually beneficial working relationships with Indigenous Peoples.



Government

Working closely with governments and regulatory agencies ensuring permitting and long-term project sustainability.



Communities

Investing in communities through employment opportunities and providing funding for non-profits and initiatives that help build communities.

AltaGas' core values

- Safety and environment
- Financially astute
- Decisive
- Communicative
- Trailblazers
- Customer focused



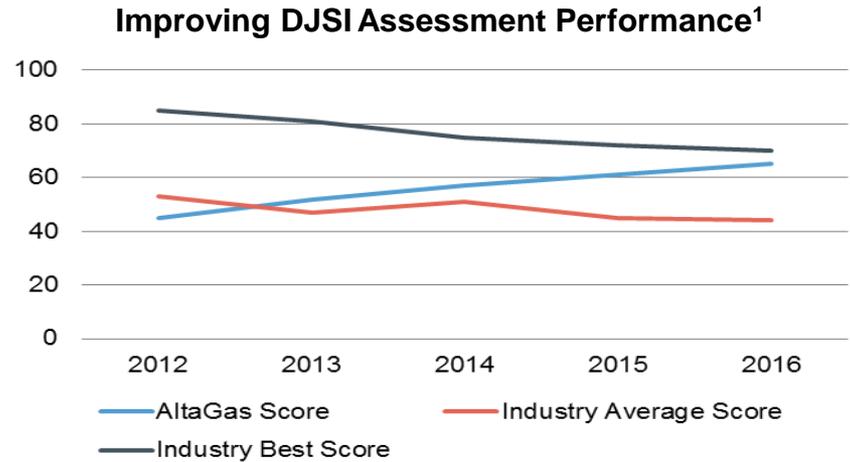
Corporate Responsibility

Committed to protecting **employees**, the **public**, and the **environment** by:

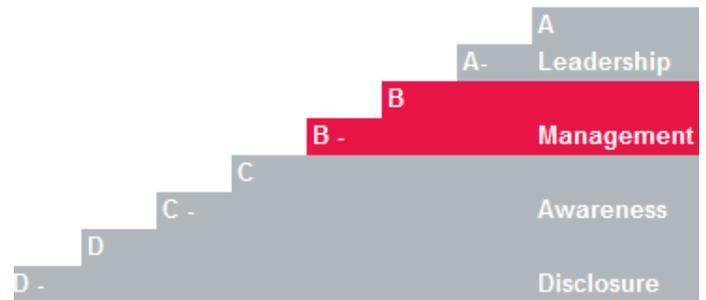
- Operating our business with the highest regard for the safety of employees, contractors and all stakeholders impacted
- Continuous improvement in our safety programs which results in increased safety performance
- Managing risks related to economic, environmental, and social developments



ROBECOSAM
Sustainability Award
Bronze Class 2017



CDP Scoring Levels²



Committed to Creating Shareholder Value

97%

10-year cumulative
shareholder return¹

7%

10-year shareholder
return CAGR¹

Focused on cash flow growth,
reinvestment and dividend growth to
create shareholder value

For additional details on AltaGas' pending WGL Acquisition please refer to our website at <https://www.altagas.ca/invest/events-and-presentations>



Q&A

