



**NEWS
RELEASE**

FOR IMMEDIATE RELEASE

**ALTAGAS LTD ANNOUNCES AGREEMENT TO PURCHASE SEMCO HOLDING
CORPORATION FROM CONTINENTAL ENERGY SYSTEMS**

***SEMCO ENERGY GAS COMPANY AND ENSTAR NATURAL GAS COMPANY
INCLUDED IN SALE***

On February 1, 2012, AltaGas Ltd. ("AltaGas" or the "Corporation") announced that it entered into a definitive agreement (the "Agreement") with Continental Energy Systems LLC ("Continental") to acquire Semco Holding Corporation ("SEMCO") for US \$1.135 billion, including approximately US \$355 million in assumed debt. SEMCO is the sole shareholder of SEMCO Energy, Inc. a privately held regulated public utility company headquartered in Port Huron, Michigan. SEMCO indirectly holds a regulated natural gas distribution utility in Alaska through ENSTAR Natural Gas Company ("ENSTAR") and an interest in a regulated natural gas storage utility in Alaska under construction called Cook Inlet Natural Gas Storage Alaska LLC. ("CINGSA"). SEMCO also indirectly holds a regulated natural gas distribution utility and an interest in a natural gas storage facility in Michigan.

"AltaGas' vision is to be a leading North American infrastructure company. This acquisition continues the successful execution of our growth strategy," said David Cornhill, Chairman and CEO of AltaGas. "These assets come with strong management teams and employees who have a strong track record of delivering safe and reliable service to their customers and have excellent relationships with the communities in which they operate. We look forward to welcoming the SEMCO management teams and employees to AltaGas. We have a long history of operating natural gas utilities, and we will continue to deliver safe and reliable service to our customers. This acquisition establishes a significant foothold in the U.S. in areas with strong growth potential that are near existing AltaGas assets and operations.

"Over the past several years, we have worked hard to ensure SEMCO ENERGY Gas Company and ENSTAR are well-positioned to provide excellent service to customers in the communities they serve," said George Schreiber, Chairman and CEO of Continental Energy Systems. "This acquisition by AltaGas demonstrates the long-term value and growth potential of these operations and is a vote of confidence in both Michigan and Alaska as good places to do business."

The acquisition is subject to regulatory approval, including approvals from the Michigan Public Service Commission and the Regulatory Commission of Alaska. The acquisition is expected to close in the third quarter of 2012.

About AltaGas Ltd.

AltaGas is an energy infrastructure business with a focus on natural gas, power, regulated utilities and renewable energy sources.

AltaGas' regulated utilities serve over 110,000 end-users in Alberta, Nova Scotia and British Columbia. The Utility business is comprised of AltaGas Utilities Inc. (AUI), the Alberta utility business, Pacific Northern Gas Ltd., the British Columbia utility business, and Heritage Gas Limited, the Nova Scotia utility business. AltaGas also owns a one-third interest in a utility serving customers in the Northwest Territories. For more information visit: www.altagas.ca

About Continental Energy Systems LLC and Semco Holding Corporation

Headquartered in Port Huron, Michigan, SEMCO is the sole shareholder of SEMCO Energy, Inc. a privately held regulated public utility company headquartered in Port Huron, Michigan. SEMCO indirectly holds a regulated natural gas distribution utility in Alaska through ENSTAR and an interest CINGSA, a regulated natural gas storage utility in Alaska under construction. SEMCO also indirectly holds a regulated natural gas distribution utility and an interest in an unregulated natural gas storage facility in Michigan.

SEMCO ENERGY Gas Company serves approximately 286,000 customers in Michigan. ENSTAR serves approximately 132,000 customers in Alaska. The transaction includes gas storage and pipelines in both Michigan and Alaska, including interests in

the CINGSA natural gas storage facility that is close to completion in Alaska.

Semco Holding Corporation is a wholly-owned subsidiary of Continental Energy Systems LLC. Continental Energy is headquartered in Troy, Michigan. It owns investments in gas utilities serving nearly 1 million customers in Michigan, Alaska, and New Mexico. Continental Energy's investment in New Mexico Gas Company is not part of the AltaGas acquisition.

This news release contains forward-looking statements with respect to, among other things, the acquisition of SEMCO by AltaGas, including the expected closing date thereof and the aggregate cash consideration payable in connection therewith.

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. 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, and such forward-looking statements included in should not be unduly relied upon.

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