AltaGas Ltd.

AltaGas Announces Sale of 35 Percent of the Northwest British Columbia Hydro Electric Facilities for Over $920 Million

**Sale Aligned with AltaGas' Asset Monetization and Funding Strategy for the Acquisition of WGL Holdings, Inc. ("WGL")**

CALGARY, June 13, 2018 /CNW/ - AltaGas Ltd. (AltaGas) (TSX: ALA) announced today that it has entered into a definitive agreement to indirectly sell 35 percent of its interest in the Northwest British Columbia Hydro Electric Facilities (the "Facilities") for $922 million. The purchase price implies a 2017 EBITDA multiple of approximately 27 times and a total value of over $2.6 billion on a 100 percent basis for the Facilities. The sale of the interest in the Facilities is part of the larger funding strategy related to AltaGas' acquisition of WGL, and represents almost half of the approximate $2 billion in asset sales to be raised.

"The sale of the minority interest in the Northwest Hydro Facilities is aligned with our asset monetization and funding strategy," said David Harris, President and Chief Executive Officer of AltaGas. "Our criteria include appropriate value for the assets, shareholder value creation, and credit metric accretion, with the resulting business being consistent with our long-term vision for AltaGas.

"We continue to be very confident in completing our long-term financing plan in the next several months, and with the sale of the Facilities and certain anticipated non-core assets, we expect over half of the $2 billion in targeted asset sales to be completed by mid-summer," stated Mr. Harris. "We also continue to advance discussions for the monetization of certain additional assets, which we expect to conclude in the third quarter.

"We look forward to closing the acquisition of WGL. The business combination is a compelling one, with accretive earnings per share and cash flow per share growth, a business with a strong balance sheet, and a balanced portfolio of high quality energy infrastructure assets," concluded Mr. Harris.

**Funding Strategy for WGL**
The acquisition of WGL is fully backstopped by a US$3 billion bridge facility and $2.6 billion in equity proceeds raised through the February 2017 subscription receipt offering and private placement. The proceeds of the sale of 35 percent of AltaGas' interest in the Facilities, further asset monetizations, as well as offerings of senior debt and hybrid securities, will allow for the rapid repayment of the bridge facility.

On June 4th, a US$2 billion preliminary short form base shelf prospectus for the issuance of both debt securities and preferred shares was filed in Alberta. AltaGas anticipates filing a final short form base shelf prospectus shortly both in Alberta and the U.S. This will enable AltaGas to access the U.S. capital markets on a timely basis over the following 25 months, subject to market conditions.

**Definitive Agreement**
The definitive agreement to sell the 35 percent stake of AltaGas' interest in the Facilities has been entered into with a joint venture company that is indirectly owned by Axium Infrastructure Inc., as manager of Axium Infrastructure Canada II Limited Partnership, and Manulife Financial Corporation.

Axium Infrastructure is an independent investment firm dedicated to investing in core assets generating stable and predictable cash flows in the energy, transportation and social infrastructure sectors. Since 2010, the firm has invested in a diversified portfolio of over 100 North American infrastructure assets, having assets and co-investments under management as of March 31, 2018 of approximately $4 billion.

Manulife is a leading international financial services group with assets under management and administration of over $1.1 trillion (US$850 billion) as of March 31, 2018. Manulife is an active investor in renewable energy and infrastructure with equity investments in these sectors totaling over $7 billion.

AltaGas will remain the majority holder of the Facilities and continue to provide all operational, maintenance and management functions. The transaction is subject to closing adjustments and customary closing conditions, and is expected to close prior to the end of June 2018. AltaGas anticipates that there will be a negligible amount of current cash taxes resulting from this transaction.

**Northwest British Columbia Hydro Electric Facilities**
Located in Tahltan First Nation territory, the Facilities are comprised of the 195-megawatt Forrest Kerr Hydroelectric Facility which achieved commercial operation ("COD") in October 2014, the 16-megawatt Volcano Creek Hydroelectric Facility which achieved COD in December 2014, and the 66-megawatt McLymont Creek Hydroelectric Facility which achieved COD on October 1, 2015. The Facilities had a total capital cost of approximately $1 billion, and are underpinned by three separate 60-year, fully indexed electricity purchase
The Tahltan First Nation continues to play a key role in the success of the Facilities and to work closely with AltaGas to provide clean energy to British Columbia for decades to come.

TD Securities Inc., J.P. Morgan and RBC Capital Markets are acting as joint financial advisors to AltaGas in connection with this transaction.

**WGL Acquisition Next Steps**
On June 13, 2018, the DC Public Service Commission will hold an additional day of hearing for the purpose of reviewing the unanimous settlement agreement (the "Settlement"). A community hearing will also be held that evening to receive any public comments on the Settlement. It is anticipated that the record will close on June 18, 2018, with a final order expected to be issued the week of June 25, 2018.

**About AltaGas**
AltaGas is an energy infrastructure company 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 clean energy sources. For more information visit: [www.altagas.ca](http://www.altagas.ca).

**FORWARD LOOKING INFORMATION**

This news release contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "will", "expect", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements. Specifically, such forward-looking statements included in this document include, but are not limited to statements with respect to the following: expected financing strategy for the WGL acquisition, including additional asset sales, value of such asset sales, timing, and additional financing steps, including potential hybrid securities and senior term debt; expected ability to execute on our long-term financing plan; expected balance sheet strength, accretion, portfolio balance and quality, and risk profile following the closing of the WGL acquisition; expected closing and timing of the closing of the sale of AltaGas' interest in the Facilities; and expected tax implications of the sale of AltaGas' interest in the Facilities, and expected timing of the DC Public Service Commission process. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events and achievements to differ materially from those expressed or implied by such statements. Such statements reflect AltaGas' current expectations, estimates and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include: expected commodity supply, demand and pricing; volumes and rates; exchange rates; inflation; interest rates; credit rating; regulatory approvals and policies; future operating and capital costs; project completion dates; capacity expectations; implications of recent U.S. tax legislation changes; the outcomes of significant commercial contract negotiation; financing of the WGL Acquisition; timing and completion of the WGL acquisition; and timing and completion of the sale of AltaGas' interest in the Facilities. AltaGas' forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: access to and use of capital markets; market value of AltaGas' securities; AltaGas' ability to pay dividends; AltaGas' ability to service or refinance its debt and manage its credit rating and risk; prevailing economic conditions; potential litigation; AltaGas' relationships with external stakeholders, including Aboriginal stakeholders; volume throughput and the impacts of commodity pricing, supply, composition and other market risks; available electricity prices; interest rate, exchange rate and counterparty risks; legislative and regulatory environment; the potential for service interruptions; AltaGas' ability to economically and safely develop, contract and operate assets; AltaGas' ability to update infrastructure on a timely basis; AltaGas' dependence on certain partners; impacts of climate change and carbon taxing; cybersecurity risks; risks associated with the acquisition of WGL, the financing of the WGL acquisition and the underlying business of WGL; and the other factors discussed under the heading "Risk Factors" in the most recent AIF. Many factors could cause AltaGas' or any particular business segment's actual results, performance or achievements to vary from those described in this news release, including, without limitation, those listed above and 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 news release, and such forward-looking statements included in this news release, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and AltaGas' future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this news release. 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 news release are expressly qualified by these cautionary statements.
Financial outlook information contained in this news release about prospective financial performance, financial position or cash flows is based on assumptions about future events, including 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 news release should not be used for purposes other than for which it is disclosed herein.

This news release contains references to certain financial measures that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other entities. These non-GAAP measures provide additional information that management believes is meaningful regarding AltaGas’ and Coast Mountain Hydro Limited Partnership’s operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. Readers are cautioned that non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP. EBITDA is a measure of AltaGas' operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. EBITDA is calculated from the Consolidated Statement of Income using net income adjusted for pre-tax depreciation and amortization, interest expense, and income tax expense. EBITDA includes additional adjustments for unrealized gains (losses) on risk management contracts, gains (losses) on investments, transaction costs related to acquisitions, gains (losses) on the sale of assets, and accretion expenses related to asset retirement obligations. AltaGas presents EBITDA as a supplemental measure. EBITDA is frequently used by analysts and investors in the evaluation of entities within the industry as it excludes items that can vary substantially between entities depending on the accounting policies chosen, the book value of assets and the capital structure.

SOURCE AltaGas Ltd.

For further information: Investment Community: 1 877 691 7199, investor.relations@altagas.ca; Media: (403) 691 7197, media.relations@altagas.ca