AltaGas

Third Quarter Investor Presentation October 2018

Forward looking statement

This presentation contains forward-looking statements. When used in this presentation, the words "will", "intend", "plan", "potential", "generate", "grow", "deliver", "can", "continue", "drive", "anticipate", "target", "come", "create", "position", "achieve", "seek", "propose", "forecast", "estimate", "expect", "solution", "outlook", "assumes" 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; expected corporate focus, including increased focus on gas and U.S. utilities; expected update and timing of update on strategy, outlook and capital plans; expected objectives and expected ability to meet objectives to regain financial strength and flexibility, maintain investment grade credit rating, regain a cost of capital advantage, and expected ability to take the necessary steps to ensure long-term value creation; expected additional asset sales and value, multiples and potential assets to be sold; expected repayment and timing of repayment of the bridge facility; anticipated determination of an appropriate and sustainable dividend; expected normalized EBITDA and normalized FFO growth; expected closing of the non-core midstream and power assets; expected opportunities in the Gas segment, including by significant project; expected project capex to EBITDA multiples; expected expansion of the Townsend Complex, and timing, capacity increase and cost of the Townsend Complex expansion; expected economies of scale, synergies and capital efficiencies at the Townsend Complex; expected benefits of the Black Swan transaction; expected expansion of North Pine; expected new pipelines associated with the Black Swan transaction; potential increase in processing capacity at the Aitken Creek Processing Facilities; expected timing, capacity, supply, and off-take arrangements of RIPET, and expected efforts to increase capacity beyond initial targets with minimal capital investment; anticipated medium-term Utility growth; expected 2019 focus in the US Utilities; expected rate base growth; expected timing of rate cases and decisions; . Information and statements contained in this presentation that are not historical facts may be forward-looking statements.

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In this presentation we use certain supplementary measures, including Normalized EBITDA, Normalized Funds from Operations ("FFO"), normalized net income (loss), and net debt that do not have any standardized meaning as prescribed under U.S. generally accepted accounting principles ("GAAP") and, therefore, are considered non-GAAP measures. 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 nine months ended September 30, 2018 for a description of the manner in which AltaGas calculates such non-GAAP measures and for a reconciliation to the nearest GAAP financial measure.

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A Leading Energy Infrastructure Company

Highly contracted assets providing long-term stable cash flow

Over **$17 billion** enterprise value[1]

Power generation in **+20 states & provinces**
Generating clean energy with natural gas and renewable resources

Over **3 Bcf/d** of natural gas
transacted in two of North America's most prolific gas plays – the **Montney** and **Marcellus/ Utica**

US Utilities rate base of ~**$4.4 billion**
Serving **~1.6 million** customers

1 As of October 30, 2018 proforma including WGL
See "Forward-looking Information"
Unless otherwise stated, dollar amounts in this presentation are in Canadian dollars

Reshaping AltaGas – Focus on Gas and U.S. Utilities

Gas

Providing producers with solutions, including global market access off of both coasts of North America. Footprint in two of the most prolific gas plays – the Montney and Marcellus.

2019 focus on optimizing full value chain of energy exports

U.S. Utilities

Strong growth markets with increasing construction to support customer additions, system improvement & accelerated replacement programs.

2019 focus on refining business model for optimal capital deployment

Power

Using our clean energy expertise and creativity to shape an innovative power strategy moving forward.

2019 focus on creating innovative solutions with light capital investment

Balance Prudent Financial Management with Investment in Opportunities in Gas and U.S. Utilities

Steps	Action Items
1 **Reshape AltaGas** Pay down bridge facility	✓ Sold 35% of Northwest Hydro Facilities for $922 million ✓ Sale of non-core gas and power assets for $560 million ✓ IPO of AltaGas Canada Inc. assets for total cash proceeds of $874 million[1] ▪ Balance of the bridge facility – US $1.2 billion – is expected to be repaid by year end
2 **Balanced Funding Growth**	▪ Approximately $1.5 - $2.0 billion in further asset sales ▪ Optimize cost of capital ▪ Suspension of Premium DRIP plan at year-end ▪ Review of dividend policy ▪ Prudent capital allocation ▪ Investment grade credit rating with improving credit metrics
3 **Business Optimization**	▪ Further reshaping of AltaGas to be led by new CEO

1 Proceeds are before the deduction of underwriting fees. The $635 million in debt includes a new term debt issuance, intercompany loans and the assumption of existing indebtedness.
See "Forward-looking Information"

Improving Cost of Capital and Developing a Balanced 2019 Funding Plan

Our objective is clear

Financial strength and flexibility: maintain our investment grade credit rating and optimize cost of capital

Taking the necessary steps to ensure long-term value creation for all stakeholders

- Refining our financing plan and size of future capital programs
- Plan to update the market on strategy, 2019 outlook and capital plans prior to year-end

Identify additional asset sales and set out objectives and priorities → Refine plan with the Board → Recommend and finalize path forward → Provide market update

$1.5-$2.0 Billion in Additional Asset Sales To Fund Growth Opportunities

Additional asset sales further align the strategic focus on Gas and U.S. Utilities and provides cost effective funding

Identified approximately $1.5 to $2.0 billion in additional near-term asset sales

- Expected to include the monetization of an additional interest in the Northwest Hydro Facilities

Balancing Organic Growth Opportunities and Funding Capacity

Strong balance sheet and an investment grade credit rating will provide greater flexibility and growth

- On track to repay the outstanding $1.2 billion on the bridge facility by year end
- Funding plan will support investment grade credit rating
- Plan tailored to optimize funding and cost of capital

- Focused on only highest quality projects:
  - ✓ Strong organic growth potential and strategic fit
  - ✓ Strong risk adjusted returns and near-term contributions to per share FFO & EBITDA
  - ✓ Strong commercial underpinning

Tailored Capital Plan and Asset Sales Used to Optimize Cost of Capital

Suspended the Premium Dividend Reinvestment Plan (PDRIP)

- Effective January 1, 2019
- December 2018 dividend will be the last dividend to be included in the PDRIP
- Overall DRIP participation rate is expected to drop meaningfully from ~66%
- The Dividend Reinvestment Plan will remain unchanged

Appropriate and sustainable dividend will provide future funding flexibility

- Intend to act in the best interest of all stakeholders
- Balancing short-term yield with long-term growth
- Appropriate dividend level will optimize per share cash flow and earnings growth
- Determine prudent dividend payout reflective of the asset mix and earnings and cash flow of the combined company

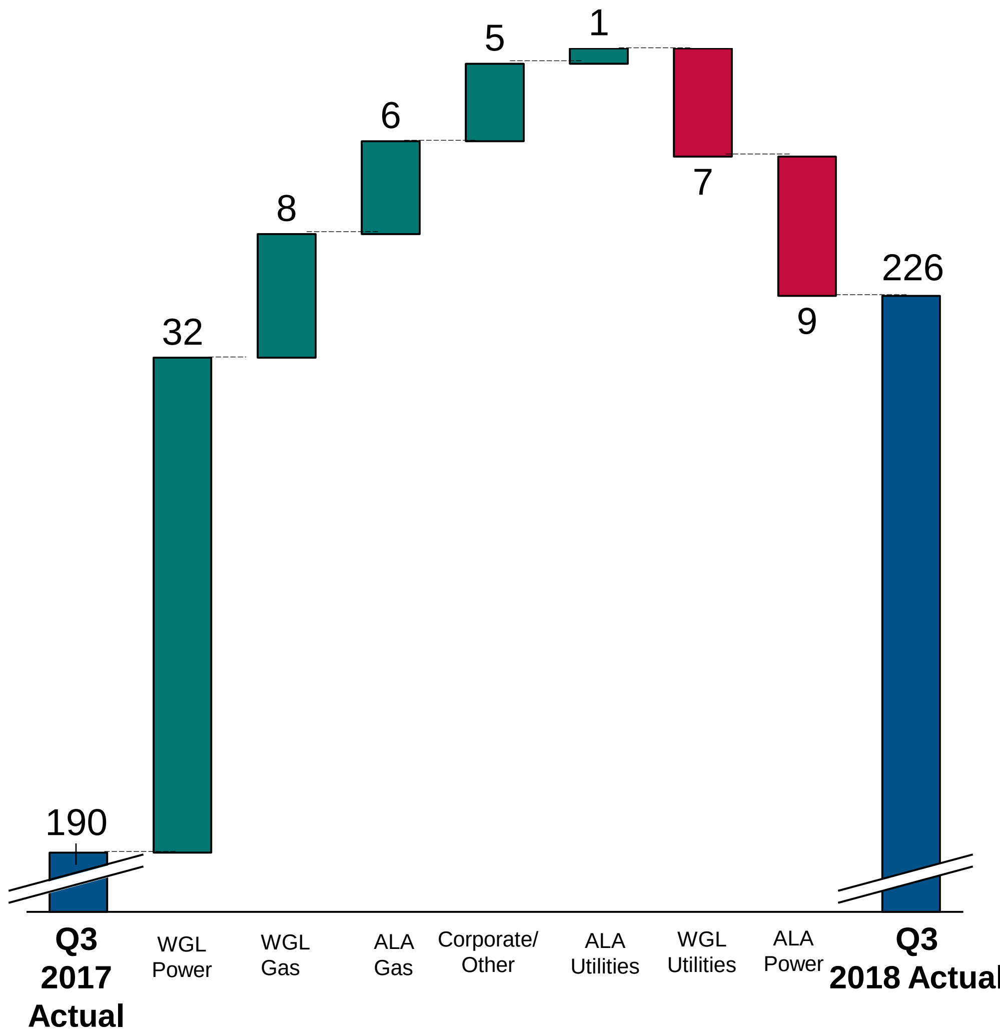
Q3 Financial Highlights

- Normalized EBITDA **was $226 million compared to $190 million** in Q3 2017
- Normalized funds from operations **were $117 million** ($0.45 per share) compared to **$143 million** ($0.83 per share) in Q3 2017
- Net loss applicable to common shares **was $726 million** ($2.78 per share) compared to net income of **$18 million** ($0.10 per share) in Q3 2017
- Normalized net loss **was $17 million** ($0.07 per share) compared to normalized net income of **$48 million** ($0.28 per share) in Q3 2017
- Net debt **was $10.4 billion** as at September 30, 2018, compared to **$3.6 billion** at December 31, 2017
- Net debt-to-total capitalization ratio was **60 percent** as at September 30, 2018, compared to **44 percent** as at December 31, 2017

Contributions from WGL and Canadian Gas Segment drive up Q3 EBITDA

2018 Q3 Actuals vs. 2017 Q3 Actuals – EBITDA

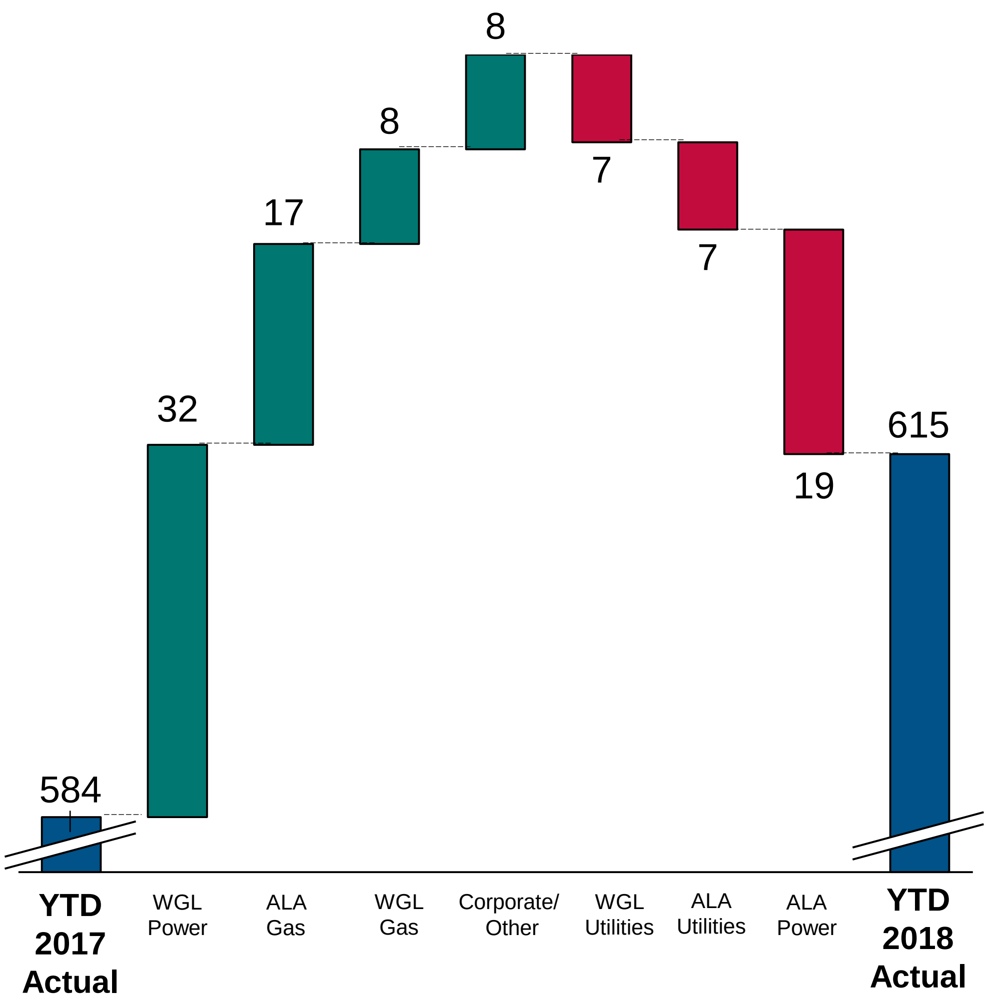
- ▲ Contributions from the WGL gas and power segments
- ▲ Higher realized frac spread due to improved commodity prices and higher frac exposed volumes
- ▲ Full year contributions from Townsend 2A and the first train of the North Pine facility
- ▲ Colder weather at AUI and SEMCO
- ▲ Stronger U.S. dollar
- ▼ Increased O&M and leak remediation expenses at WGL Utilities
- ▼ Lower generation at NWH facilities due to lower river flows and price received
- ▼ The expiry of the PPA at the Ripon facility in the second quarter of 2018
- ▼ The impact of U.S. tax reform



Contributions from WGL and Canadian Gas Segment drive up YTD EBITDA

2018 YTD Actuals vs. 2017 YTD Actuals – EBITDA

- ▲ Contributions from the WGL gas and power segments
- ▲ Higher realized frac spread due to improved commodity prices and higher frac exposed volumes
- ▲ Full year contributions from Townsend 2A and the first train of the North Pine facility
- ▲ Colder weather at AUI and SEMCO
- ▼ Increased O&M and leak remediation expenses at WGL Utilities
- ▼ Lower generation at NWH facilities due to lower river flows and price received
- ▼ The expiry of the PPA at the Ripon facility in the second quarter of 2018
- ▼ Weaker U.S. dollar
- ▼ The impact of U.S. tax reform



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Quarterly EBITDA Walk Down

Results of operations by reporting segment

Normalized EBITDA [1]	2018	2017
Gas	**$ 65**	$ 51
Power	**128**	106
Utilities	**32**	38
Corporate	**1**	(5)
Total	**$ 226**	$190

[1] Non-GAAP financial measure; See discussion in Non-GAAP Financial Measures section of the Q3 MD&A

- ▲ Contributions from WGL gas and power segments
- ▲ Higher realized frac spread due to improved commodity prices and higher frac exposed volumes
- ▲ Full year contributions from Townsend 2A and the first train of the North Pine facility
- ▲ Colder weather at AUI and SEMCO
- ▲ Stronger U.S. dollar

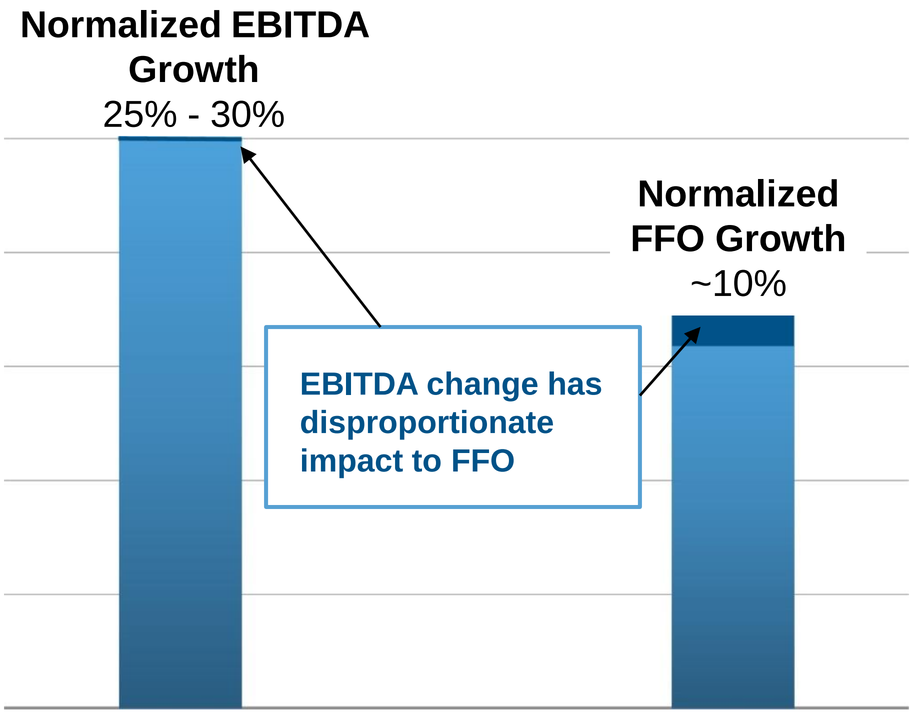
- ▼ Increased O&M and leak remediation expenses at WGL Utilities
- ▼ Lower generation at NWH facilities due to lower river flows and price received
- ▼ The expiry of the PPA at the Ripon facility in the second quarter of 2018
- ▼ The impact of U.S. tax reform

2018 Growth Outlook

Normalized EBITDA expected to increase by approximately 25% to 30% and normalized funds from operations to increase by approximately 10% compared to prior year

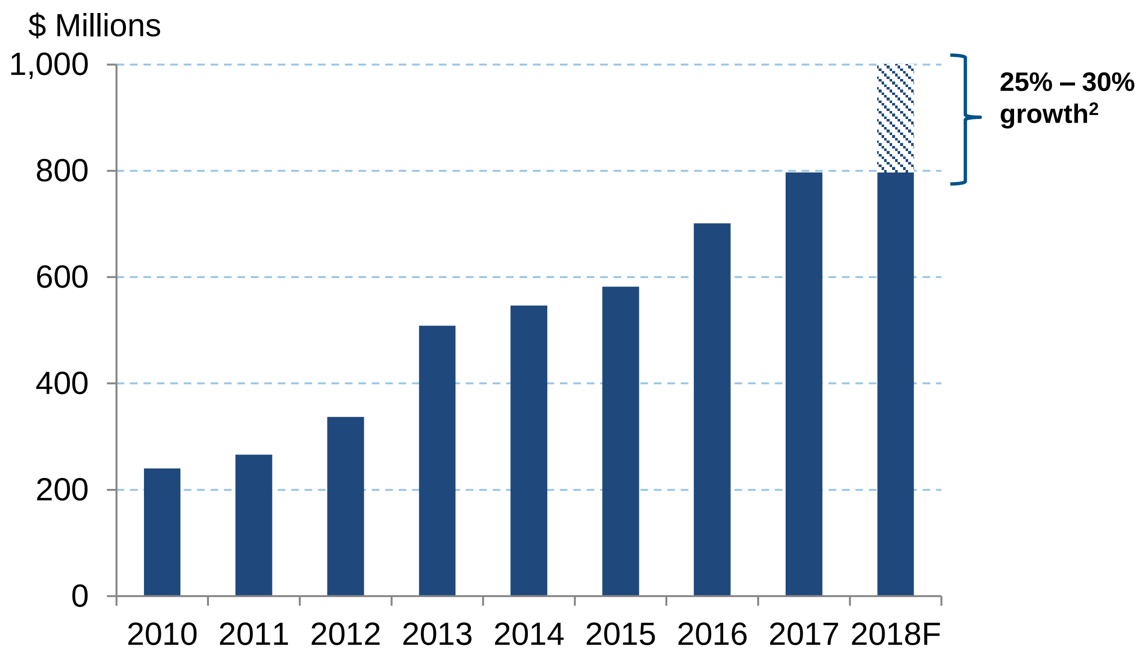
- ▲ Contributions from the WGL in all three segments
- ▲ Higher realized frac spread due to improved commodity prices and higher frac exposed volumes
- ▲ Full year contributions from Townsend 2A and the first train of the North Pine facility
- ▲ Colder weather and rate base and customer growth at certain of the utilities

- ▼ The sales of a majority interest in ACI
- ▼ The expiry of the PPA at the Ripon facility in the second quarter of 2018
- ▼ A weaker U.S. dollar on reported results of the U.S. assets
- ▼ The impact of U.S. tax reform



Successful track record of delivering EBITDA[1] growth over time

Significant growth in 2018 driven by WGL Acquisition



2019+

Gas Growth Opportunities Come Online

- RIPET
- Townsend Expansion
- Mountain Valley
- Central Penn

Addition of a full year of WGL

Successful completion of asset sales in 2018 and further reshaping of business to focus on Gas and U.S. Utilities

Financing requirements for WGL will be completed

1 Represents normalized EBITDA
2 Expectations as at October 2018
2010 in accordance with CGAAP. 2011 and forward in accordance with U.S. GAAP
See "forward-looking information"

Asset Sales Align with Strategy to Reshape Company

Sold 35% of Northwest Hydro Facilities for $922 million

- Sale closed in June 2018

Sale of Non-Core Gas and Power Assets for $560 million

- Sale to close in Q4 2018
- Includes non-core Canadian gas and power assets, shares of Tidewater Midstream and Infrastructure Inc. and Tracy, Hanford and Henrietta plants in California

IPO of AltaGas Canada Inc. Assets for Total Cash Proceeds of $874 million[1]

- Closed late October
- AltaGas to remain minority owner

1 Proceeds are before the deduction of underwriting fees. The $635 million in debt includes a new term debt issuance, intercompany loans and the assumption of existing indebtedness
See "Forward-looking Information"

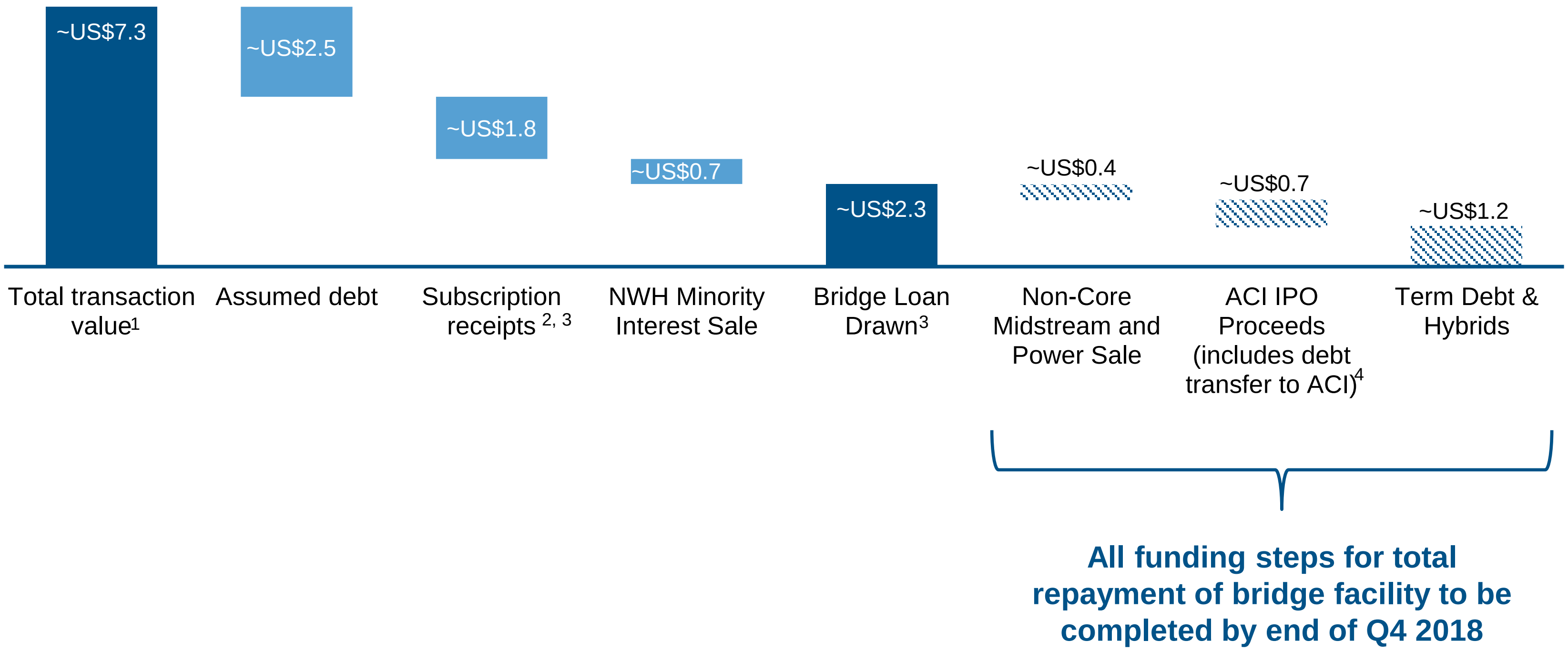
First Stage of Asset Monetization Plan Complete

	Close	Proceeds ($MM)	Annual EBITDA Impact ($MM)
35% interest in Northwest Hydro Facilities	Q2	**$922**	Consolidated
Non-Core Midstream and Power Assets in Canada	Q4	**$165**	~$22
Non-Core San Joaquin Power Assets in California	Q4	**US$300**	~US$76
IPO of AltaGas Canada Inc.	Q4	**$874**[1]	$104 million less equity pick up from ACI
Busch Ranch	Q4	**US$16.3**	~US$2
Total Asset Sales		**~$2.4 billion**	

1 Proceeds are before the deduction of underwriting fees. The $635 million in debt includes a new term debt issuance, intercompany loans and the assumption of existing indebtedness. See "Forward-looking Information"

Rapidly Repaying Bridge Facility

Bridge Facility Repayment (US$bn)



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1 Includes transactions related costs
2 Net proceeds from subscription receipts (gross proceeds minus dividend equivalent payments and Underwriter fees)
3 US$ Converted at July 6, 2018 FX rate of $1.3105 CAD / $1.00 USD
4 The $635 million in debt includes a new term debt issuance, intercompany loans and the assumption of existing indebtedness.
See "Forward-looking Information"
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Q3 Operational Highlights

Gas

Further traction in **Northeast B.C. strategy**

Agreements announced with **Kelt** and **Black Swan**

Utilities

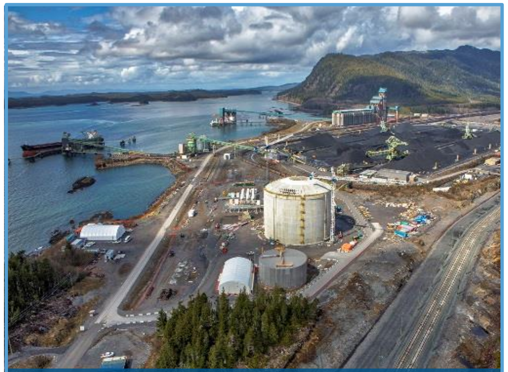
Continued progress on **key rate cases** in **Maryland** and **Virginia**

Power

Positioned to **deliver** on **capital light strategy**

Announced **sale** of **San Joaquin** assets and **Busch Ranch**

Gas Segment Drives Near Term Growth



Gas

Providing producers with solutions, including global market access off of both coasts of North America. Footprint in two of the most prolific gas plays – the Montney and Marcellus.

Optimizing full value chain of energy exports

RIPET
$450 – $500 million
40,000 bbls/d of supply expected and 100% of off-take contracted by in-service date

Central Penn
US$450 million
In service Oct, 2018

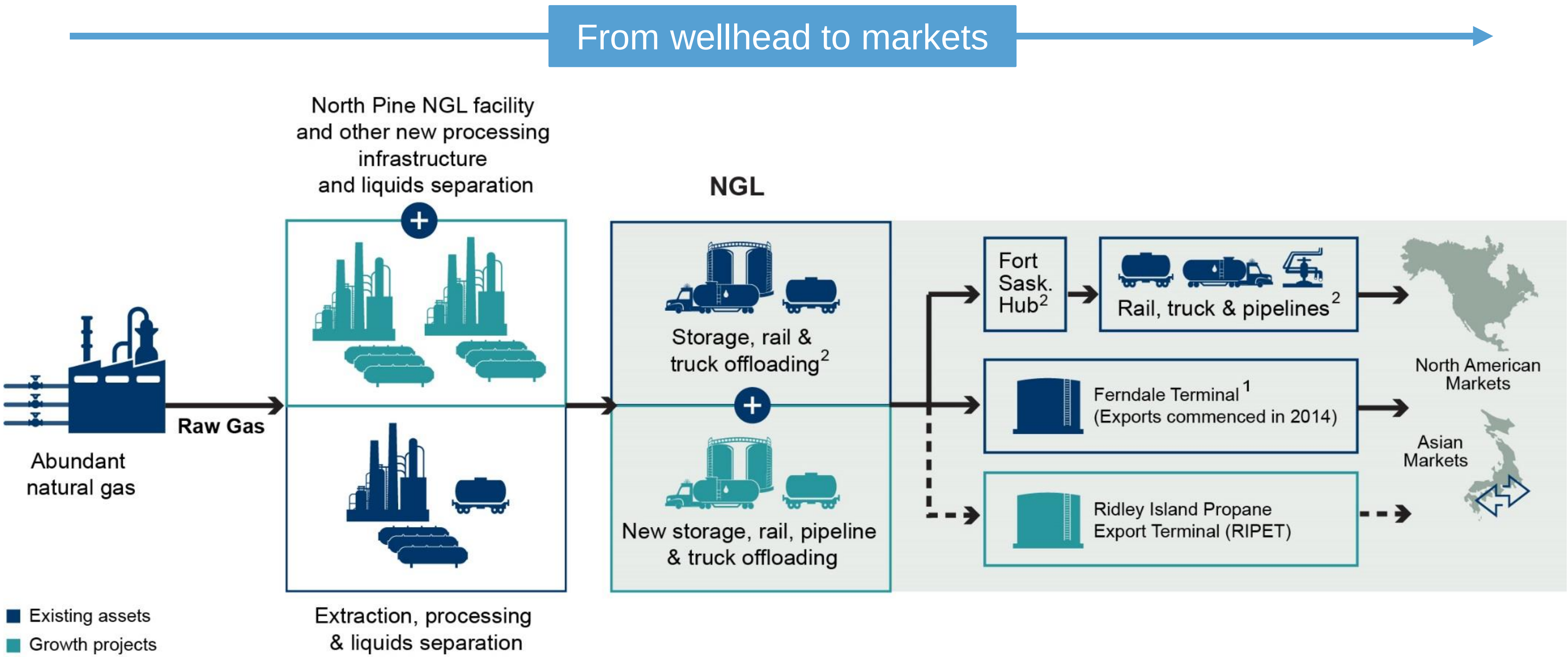
Mountain Valley Pipeline
US$350 million

Townsend Expansion
$180 million

Aitken Creek Acquisition and Development
$230 million

~$1.5 billion in near term gas opportunities

Integrated Value Chain Optimizes Returns and Connects Producers to New Markets



Fully-integrated, customer-focused value chain provides **increased value** to producers

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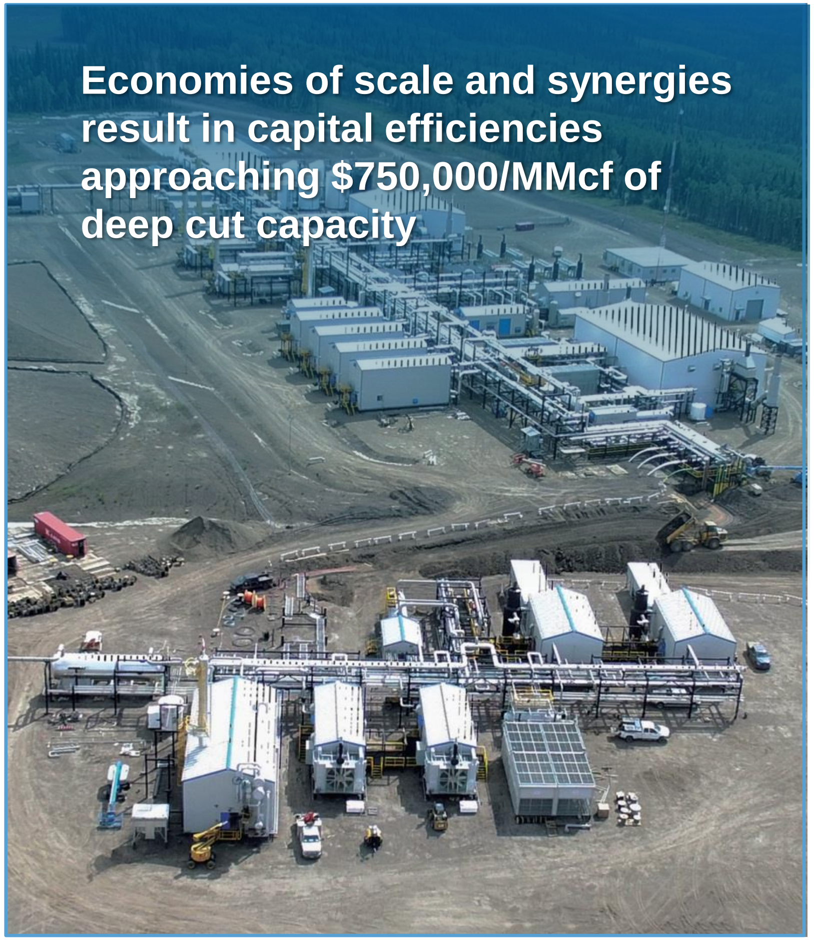
1 Current supply for Ferndale is sourced through Petrogas.
2 Includes Petrogas operations
See "forward-looking information"

Expanding the Townsend Gas Processing Complex

Expansion of the Townsend Complex and capture area coupled with enhanced NGL recovery will provide producers with more options for energy exports

Townsend Expansion

- Addition of a 198 MMcf/d of C3+ deep cut gas processing capacity
- Kelt with firm processing of 75 MMcf /d of raw gas under an initial 10-year take-or-pay arrangement
  - includes raw gas gathering, liquids handling, field fractionation and propane marketing arrangements including export through RIPET
- Estimated project cost of $180 million
- Expected on-stream in Q4 2019



1 Expectations as at October 2018
See "forward-looking information"

Black Swan Agreement Strengthens Northeast B.C. Integrated Gas Strategy and Propane Export Solution

Black Swan Agreement:

- **50% interest in 210 MMcf/d Black Swan Aitken Creek Processing Facilities - $186mm**
  - North Aitken Creek Gas Plant (110 MMcf/d)
  - Aitken Creek Gas Plant (100 MMcf/d) - under construction
  - Potential to increase to 360 MMcf/d of processing capacity
- **Liquids Handling - $40 million**
  - 15 year agreement
  - Utilizes existing AltaGas Pipelines from Townsend to North Pine
  - Requires new pipelines from North Aitken to Townsend
- **Energy exports - 15 year NGL dedication to North Pine**
  - Provides new organic propane supply for RIPET

Combined commitments with Black Swan and Kelt trigger an expansion of North Pine C3+ fractionation capacity to 20,000 bbl/d

Benefits:

- ✓ Showcases AltaGas' competitive gas processing and substantially improved returns through downstream integration including liquids pipelines, field fractionation, rail loading & logistics, and RIPET
- ✓ New operating gas processing infrastructure with immediate cash flow
- ✓ Opportunities for ongoing organic growth capital investment
- ✓ Integrated value chain provides improved netbacks to producers

Expected to be Canada's First West Coast Propane Export Terminal

40,000 bbls/d Ridley Island Propane Export Terminal expected to be in service in Q1 2019

Supply

- Kelt and Black Swan agreements in addition to other initiatives provide increased supply and AltaGas expects to achieve the initial 40,000 bbls/d supply target

Offtake

- Astomos Energy Corporation to purchase 50% of the propane shipped from the facility
- Commercial agreements to secure the remaining off-take commitments are currently under negotiation and are expected to be completed by the end of 2018

Success with the initial **40,000 bbls/d** leads AltaGas to accelerate efforts to increase capacity beyond initial targets, increase expected to be achieved with minimal capital investment

1 Expectations as at October 2018. Total project cost; ownership will be 70% ALA and 30% Royal Vopak
See "forward-looking information"

Wealth of Opportunities Across U.S. Utilities

U.S. Utilities

Strong growth markets with increasing construction to support customer additions, system improvement and accelerated replacement programs.

2019 focus on refining business model for optimal capital deployment

High Quality U.S. Utility Growth

New customer additions, general system improvement, and accelerated replacement programs

Over $4.5 billion in medium-term utility growth

High-Quality Utility Assets with Significant Embedded Organic Growth

Rate Applications

Washington, DC

- Next rate case to be filed in 2020
- New 5 year plan for accelerated replacement to be filed in 2019 for the 2020 – 2025 period

Maryland

- Base Rate increase requested mid-2018
- Accelerated pipeline replacement initiative (Phase 2) requested mid-2018
- Decisions expected mid-December 2018

Virginia

- Base Rate increase requested July 2018; decision expected 2019

Michigan

- Next rate case to be filed in 2019

Enstar

- Next rate case to be filed in 2021

Robust Growth Opportunities

Operates in higher growth markets with significant capital expenditures to support new customer additions, general system improvement, and accelerated replacement programs.

- Marquette Connector Pipeline currently under construction in Michigan
- Increased diversification into high growth areas such as Washington (6th largest regional economy in the U.S., among the highest median household incomes in the U.S.)

Rate base to grow to ~$5.5 billion in 2021

Over **$4 billion** in rate base[1]

1 As at October 2018
See "forward-looking information"

Supportive Regulatory Environment for U.S. Gas Utilities

Utility	Location and Rate Base ($CAD)	Customers[1]	Allowed ROE and Equity Thickness	Regulatory Update
SEMCO ENERGY Gas Company	Michigan	309,000	10.35% 49%	▪ Use of projected test year for rate cases with 10 month limit to issue a rate order, eliminates/reduces regulatory lag ▪ Recovery of invested capital in pipeline replacement through the Mains Replacement Program surcharge has reduced the need for frequent rate cases ▪ Last rate case filing completed in 2010; next case to be filed in 2019 ▪ In August 2017, received approval from the Michigan Public Service Commission for the Act 9 application for the Marquette Connector Pipeline
ENSTAR Natural Gas Company	Alaska ~$1.1 BN[1]	144,000	11.88% 51.80%	▪ Final order approving US$5.8 MM rate increase (including US$5 MM interim rates previously included in rates) issued on September 22, 2017. Final rates effective November 1, 2017 ▪ Next rate case to be filed in 2021, based on 2020 historical test year
Cook Inlet Natural Gas STORAGE Alaska	Alaska	ENSTAR, 3 electric utilities and 5 other customers	12.55% 50.00%	▪ In April 2018 filed application for advanced approval of the redundancy project with ~US$41 MM capital cost; RCA decision expected in early Q1 2019 ▪ Rate case filed in April 2018
Washington Gas A WGL Company	Virginia	524,000	9.50% 52.3%	▪ Rate case filed in July 31, 2018 seeking rate increase of US$37.6MM, including transfer of US$14.7MM rider under the Steps to Advance Virginia's Energy Plan ("SAVE") for net increase of US$22.9MM; US$1.3 billion projected rate base based on 10.6% ROE and ~53.3% of equity thickness ▪ Filed 2019 SAVE capex and rider in August 31 2018, expect to incur approximately US$96MM 2019 SAVE capex
Washington Gas A WGL Company	Maryland ~$3.3 BN[1]	478,000	9.50% 53.0%	▪ Rate case filed in May 2018 seeking rate increase of US$56.3 MM including transfer of US$15 MM Strategic Infrastructure Development and Enhancement Plan ("STRIDE") surcharge for net increase of US$41.3MM; based on 10.3% ROE, ~ 51.7% equity thickness, and ~US$1.1 billion projected rate base ▪ Filed STRIDE 2 application for 2019-2023 for ~US$394 MM replacement capex
Washington Gas A WGL Company	Washington D.C.	162,000	9.25% 55.7%	▪ Last rate case was filed in February 2016 with final rates approved in March 2017 ▪ Rate case to be submitted in 2020 ▪ New 5 year plan for accelerated replacement to be filed in late 2018 for the period October 2019 to September 2024

1 WGL figures as of September 30, 2017. SEMCO, Enstar and CINGSA Figures as of December 31, 2017. US$ converted at an exchange rate of $1.30 CAD / $1.00 USD
See "Forward-looking Information"
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