



Acquiring Marquee Alberta Montney Infrastructure Assets

August 31, 2023

AltaGas

Forward-Looking Information

This news release contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "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: the expectation that the assets will strengthen AltaGas' midstream value chain and provide long-term LPG supply for global exports; advancement of AltaGas' global export strategy; the expectation that AltaGas and Tidewater will make a positive FID on Pipestone Phase II; expected closing date of the transaction; expectations regarding long-term run-rate EBITDA inclusive of synergies; valuation of current operating assets and Pipestone Phase II, including implied 2024 EBITDA and long-term run rate EBITDA of the current operating assets and the implied expected long term EBITDA and construction costs related to Pipestone Phase 2; amount of incremental capital AltaGas will deploy to complete Pipestone Phase II; the terms of the Pipestone Joint Venture; potential additional asset sales improving credit metrics including achieving the medium-term leverage ratio target; expected handling capacity for Pipestone Phase II and the expectation that it will be fully contracted; the strategic rationale and anticipated benefits to the Corporation of the transaction; opportunity to increase working gas capacity of Dimsdale Gas Storage; expected accretive effect and the transaction supporting AltaGas' long-term strategy; expected de-risk of long-term global exports supply and diversification of AltaGas customer base; expected incremental growth opportunities through an expanded midstream customer base; expected processing and liquids handling growth and the effect on global exports; expected incremental processing capacity additions beyond Pipestone Phase II; the positive impact of Pipestone Phase II on operating costs, run-time efficiencies and customer outcomes; expectations regarding the expansion of the Dimsdale Gas Storage facility and the timing thereof; planned funding for the transaction; and expectation that the transaction will provide the opportunity for cost reductions. 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: AltaGas and Tidewater will make a positive FID on Pipestone Phase II; effective tax rates, the U.S./Canadian dollar exchange rate, financing initiatives, the performance of the businesses, commodity prices, weather, frac spread, access to capital, timing and receipt of regulatory approvals, planned and unplanned facility outages, acquisition and divestiture activities, operational expenses and returns on investments.

The forward-looking statements in this news release are based on certain assumptions that AltaGas has made in respect thereof, and such assumptions include, among other things the consummation of the transaction and AltaGas' ability to successfully integrate the purchased assets into its existing operations on the anticipated timeline; achievement of conditions to closing the transaction, including receipt of all required regulatory and stock exchange approvals; commodity prices; production rates; the receipt of regulatory and other required approvals; anticipated Pipestone handling capacity; interest rates and foreign exchange rates; royalty regimes and future royalty rates; future capital expenditure levels and general and administrative costs; future transportation costs; ability to obtain equipment and services in a timely manner to carry out development activities; current and future industry conditions; that AltaGas and Tidewater will make a positive FID on Pipestone Phase II; valuation of current operating assets and Pipestone Phase II, including implied 2024 EBITDA and long-term run rate EBITDA of the current operating assets and the implied expected long term EBITDA and construction costs related to Pipestone Phase 2; effect of the transaction on the business and operations of the Corporation; effective tax rates; financing initiatives; future performance of the purchased assets; frac spread; access to capital, timing and receipt of regulatory and stock exchange approvals; planned and unplanned facility outages; acquisition and divestiture activities; operational expenses and returns on investments; future operating costs; effect of the transaction on run-time efficiencies; the implementation of additional processing capacity and liquids handling infrastructure; extension by customers of Phase I contracts to match Phase 2 commitments; potential future asset transactions; expected processing and liquids handling growth and the effect on global exports; the impact of Pipestone Phase II on operating costs, run-time efficiencies and customer outcomes; the potential expansion of the Dimsdale Gas Storage facility and the timing thereof; anticipated funding for the transaction; and that AltaGas will have sufficient cash flow, debt or equity sources or other financial resources.

The forward-looking statements contained herein 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, including, without limitation: failure to receive all required regulatory and stock exchange approvals for the transaction; risk that a party is unable to meet all required conditions to closing of the transaction; risks related to integration of the purchased assets into AltaGas' existing operations; costs to develop or operate the purchased assets and Pipestone Phase II; risks that AltaGas may not achieve the anticipated benefits including the anticipated synergies from the transaction when anticipated or at all; risks to the Dimsdale Gas Storage's status as one of only three facilities to serve as a balancing hub for Montney production and the only integrated processing and storage option in the Montney; failure to obtain equipment and services in a timely manner to carry out development activities; that AltaGas and Tidewater do not make a positive FID on Pipestone Phase II; the Corporation's valuation of current operating assets and Pipestone Phase II, including certain metrics and construction costs are different than anticipated; customers of Phase I contracts do not extend such contracts to match Phase 2 commitments; failure to expand the Dimsdale Gas Storage facility on the timing anticipated or at all; that AltaGas does not have sufficient cash flow, debt or equity sources or other financial resources; risks related to conflict in Eastern Europe; health and safety risks; operating risks; natural gas supply risks; volume throughput; service interruptions; risks related to the transportation of petroleum products; market risk; inflation; general economic conditions; risks related to cyber security, information and control systems; climate-related risks; environmental regulation risks; regulatory risks; risks related to litigation; changes in law; Indigenous and treaty rights; dependence on certain partners; political uncertainty and civil unrest; decommissioning, abandonment and reclamation costs; reputation risk; weather data; capital market and liquidity risks; fluctuations in natural gas demand and prices; interest rates; internal credit risk; foreign exchange risk; debt financing, refinancing and debt service risk; counterparty and supplier risk; risks related to technical systems and processes incidents; growth strategy risk; construction and development risks; risks related to underinsured and uninsured losses; impact of competition in AltaGas' businesses; counterparty credit risk; composition risk; changes in the market value of the common shares and other securities of the Corporation; variability of dividends; potential sales of additional common shares and the potential for dilution; loss of key personnel; risk management costs and limitations; the risk that AltaGas may have less liquidity upon closing of the transaction than anticipated; risks related to pandemics, epidemics or disease outbreaks, including COVID-19; and the other factors discussed under the heading "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2022 (AIF) and set out in AltaGas' other continuous disclosure documents available through SEDAR+ at www.sedarplus.ca, which documents are not incorporated by reference herein.

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 as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted 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.

Information contained in this news release about prospective financial performance, financial position, or cash flows may be considered a financial outlook under applicable securities laws and is based on assumptions about future events and financial metrics, including economic conditions and proposed courses of action, royalty rates, operating costs, transportation costs, debt levels, and capital expenditures based on AltaGas management's (Management) assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release is subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations and financial results of the Corporation and the benefits to be achieved from the transaction will vary from that forth in this news release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this news release was made as of the date of this news release and was provided for the purpose of providing further information about the Corporation's potential future business and operations and the anticipated benefits to be achieved from the transaction. Readers are cautioned that the financial outlook contained in this news release is not conclusive, is subject to change and should not be used for purposes other than for which it is disclosed herein.

Additional information relating to AltaGas, including its quarterly and annual management's discussion and analysis (MD&A) and consolidated financial statements, annual information form, and press releases are available through AltaGas' website at www.altagas.ca or through SEDAR+ at www.sedarplus.ca.

Transaction Summary

Transaction Overview:

- **AltaGas has entered a definitive agreement to acquire critical gas processing and storage infrastructure in the Pipestone area** of the Alberta Montney from Tidewater Midstream. The assets **strengthen AltaGas' midstream value chain** and provide **meaningful long-term LPG supply for global exports**.
- Total consideration of **\$650 million** is **comprised of \$325 million in cash and the issuance of ~12.5 million AltaGas common shares to Tidewater**, priced at \$26.07, based on AltaGas' 10-day VWAP as of August 30, 2023, with the shares to be issued at the time of closing and subject to typical closing adjustments.
- **Acquisition is contingent on AltaGas and Tidewater making a positive final investment decision (FID) on Pipestone Phase II.** To facilitate, AltaGas and Tidewater have created a new JV to advance the final steps required to develop and construct the project.
- Transaction is subject to regulatory approvals and customary closing conditions and is expected to close prior to 2023 year-end.



Financial Highlights:


- **Total transaction value implies ~7.2x estimated run-rate normalized EBITDA**, inclusive of synergies and the \$355 million - \$365 million of incremental capital AltaGas will deploy to complete Pipestone Phase II. Valuation includes:
 1. **Current operating assets** (Pipestone I and Dimsdale) are **being valued at \$525 million**, which implies **~8.5x expected 2024 normalized EBITDA** and **~7.0x run-rate normalized EBITDA**, inclusive of synergies.
 2. **Pipestone Phase II** is **being valued at \$125 million**, which implies **~7.5x expected long-term normalized EBITDA**, inclusive of synergies and the remaining \$355 million to \$365 million of construction costs for the project.
- Expected to be **modestly positive to EPS in 2024** and then be **5% accretive to EPS in 2025+**. Anticipated to reduce net debt to normalized EBITDA leverage by **~0.1x in 2025+**, with any potential asset sales expected to further improve credit metrics.

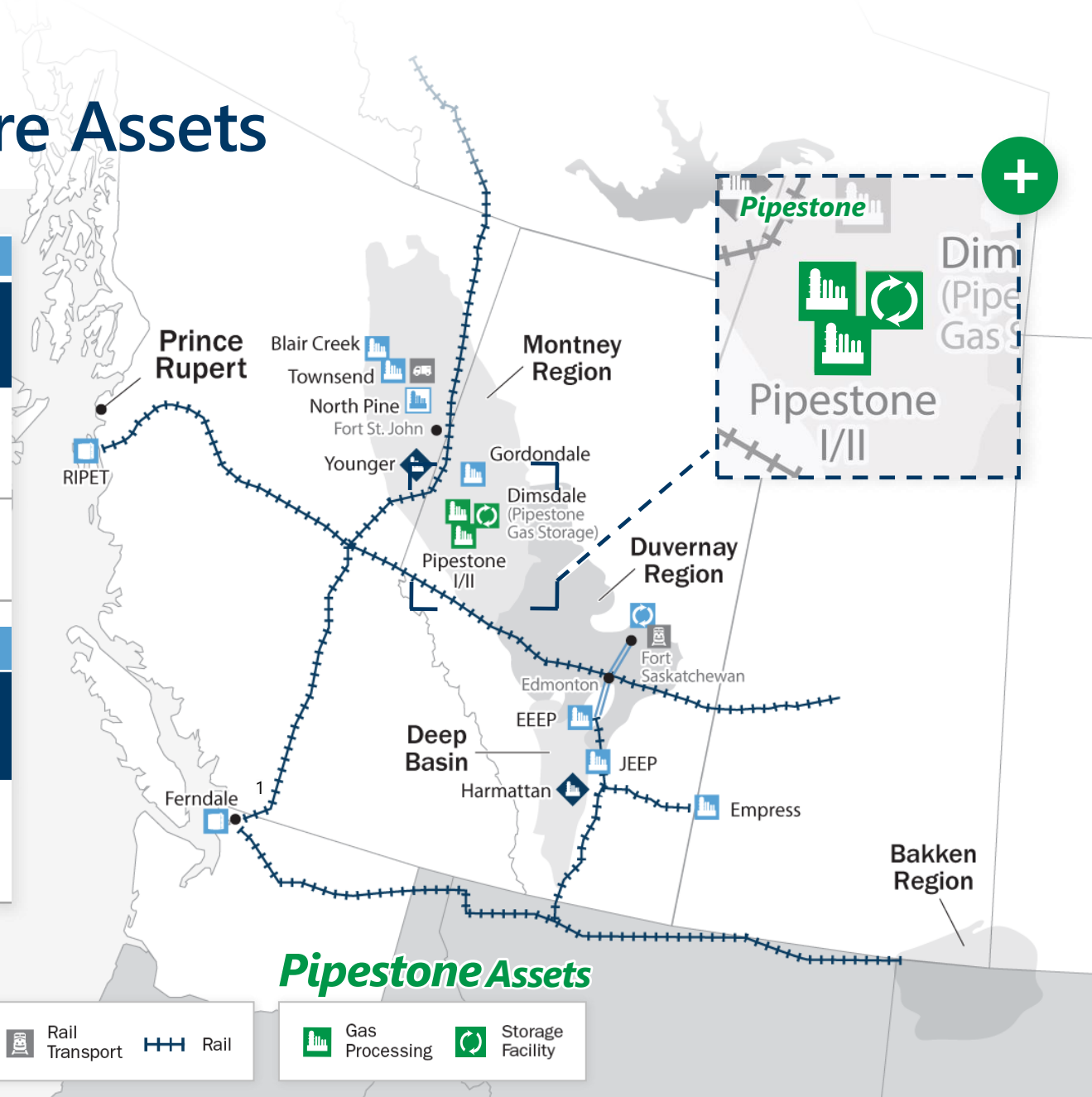
Key Assets:

- **Pipestone Phase I** – High-quality operational sour deep-cut natural gas facility located in the heart of the Alberta Montney. 110 MMcf/d of throughput capacity with 20,000 Bbl/d of liquids handling capacity; currently 100% contracted with strong anchor tenants.
- **Pipestone Condensate Terminal** – Truck-in/truck-out terminal used to maximize value of Pipestone liquids.
- **Pipestone Phase II** – Permitted, shovel ready sour deep-cut natural gas facility with regulatory approvals, long-lead time capital assets and other intangibles. Planned 100 MMcf/d of throughput capacity with 20,000 Bbl/d of liquids handling capacity; expected to be fully contracted with strong anchor tenants.
- **Dimsdale Gas Storage** – Premier operational natural gas storage facility east of Pipestone I/II. Current working gas capacity of 15 Bcf, which can be increased more than four-fold to 69 Bcf. Connected to Alliance and NGTL pipeline systems, provides Pipestone customers with egress certainty. Will be one of the only three facilities eligible to serve the balancing needs of the Montney and Canadian LNG demand pull in 2025+.









Premier Montney Infrastructure Assets

Natural Gas Processing Assets				
Asset	Status	Description	Licensed Capacity (mmcf/d)	LPGs Production (Bbls/d)
 Pipestone I	Operating; 2019 In-Service Date	C ₂ + deep-cut sour plant; acid gas injection	110	~3,500
 Pipestone II	Permitted; Near FID	C ₂ + deep-cut sour plant; acid gas injection	100	~3,000

Natural Gas Storage Asset				
Asset	Idle	Description	Current Working Capacity	Future Working Capacity
 Dimsdale (Pipestone Gas Storage)	Operating; 2017 In-Service Date	High-deliverability depleted gas reservoir (NGTL & Alliance connected)	15 Bcf	69 Bcf



AltaGas Midstream

-  NGL Fractionation
-  Gas Processing
-  Processing and Fractionation
-  LPG Export Terminal
-  Storage Facility
-  Truck Terminal
-  Rail Transport
-  Rail

Pipestone Assets

-  Gas Processing
-  Storage Facility

Strategic Rationale for AltaGas

Strategic Fit

- Supports AltaGas' long-term strategy by adding long-life infrastructure assets with meaningful financial accretion.
- Strategic and complementary assets strengthen AltaGas' footprint in the Alberta Montney with low-risk assets that have long-term growth.
- Expands the Midstream customer base with marquee independent producers, which will provide incremental growth opportunities.
- Improves the scale of Midstream Business with a multi-year growth profile.
- Provides processing and liquids handling growth that will augment global exports expansion in the coming years.

Risk Accretion

- Reduces Midstream overall commodity price risk by increasing take-or-pay and fee-for-service revenue profile by six percent.
- Diversifies AltaGas' customer base with multiple strong independent or investment grade customers.
- De-risks global exports by adding meaningful long-term LPG supply, including ~3,500 Bbls/d in 2024, ~6,500 Bbls/d in H2/2025, and the potential for 11,500 Bbls/d over the long-term through incremental processing capacity additions beyond Pipestone Phase II.

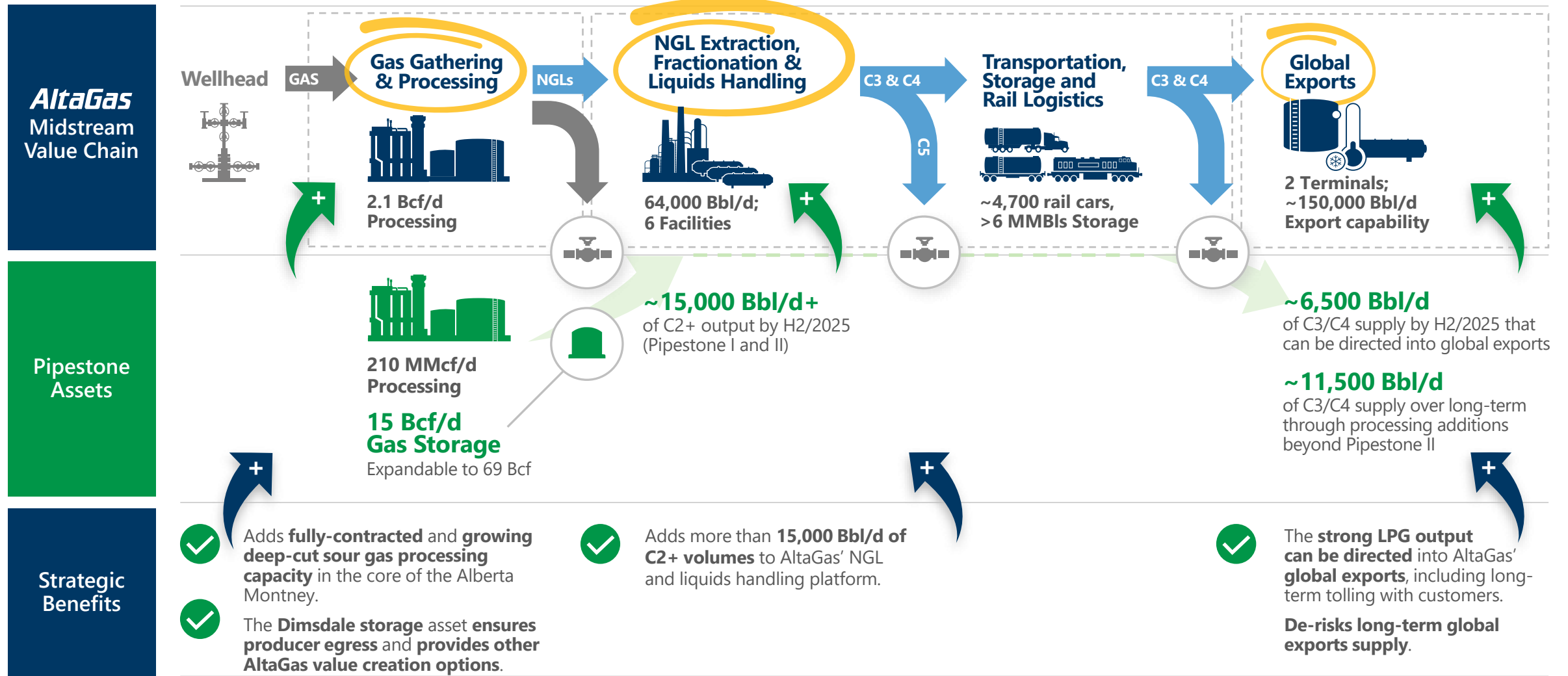
Leverage and Balance Sheet

- Credit accretive financing structure reduces net debt to normalized EBITDA by 0.1x in 2025+.

Financially Attractive

- Anticipated to deliver five percent EPS accretion in 2025+.

How the Pipestone Assets Fit into the AltaGas Platform



Risk Accretive

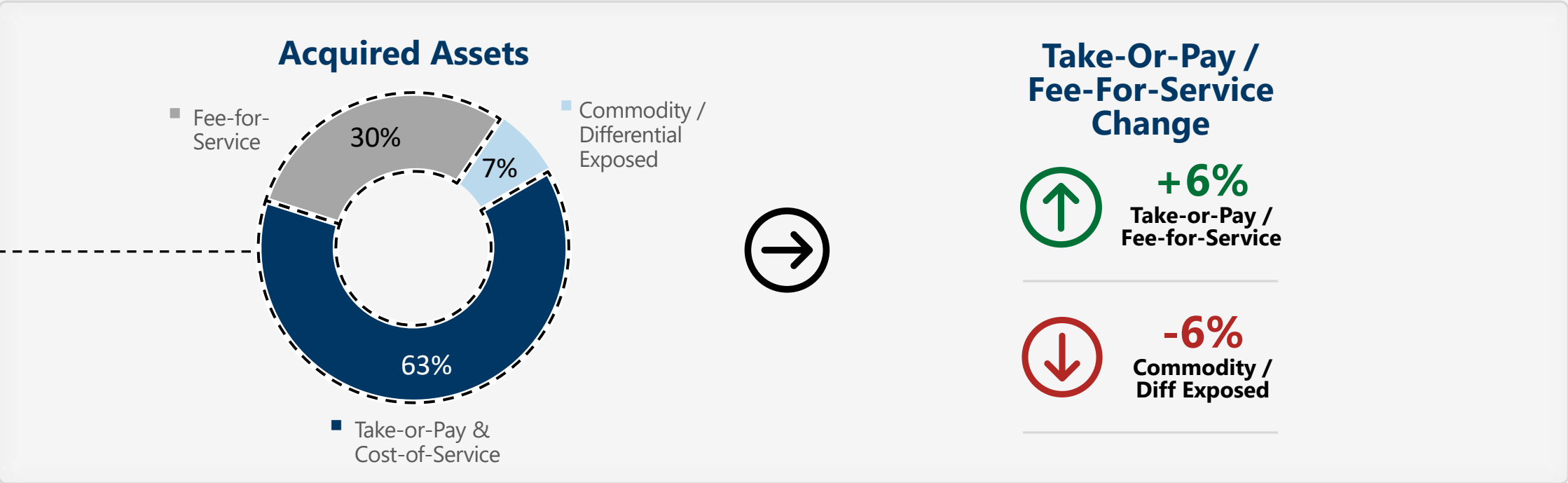
Acquisition Increases Long-term Contractedness

1 Take-or-pay with strong long-term **contracts** with weighted average term of ~8.5 years

2 AltaGas **LPG volumes** for **global exports** and tolling structures

3 **Strong Independents** or **Investment Grade customers** with robust growth plans

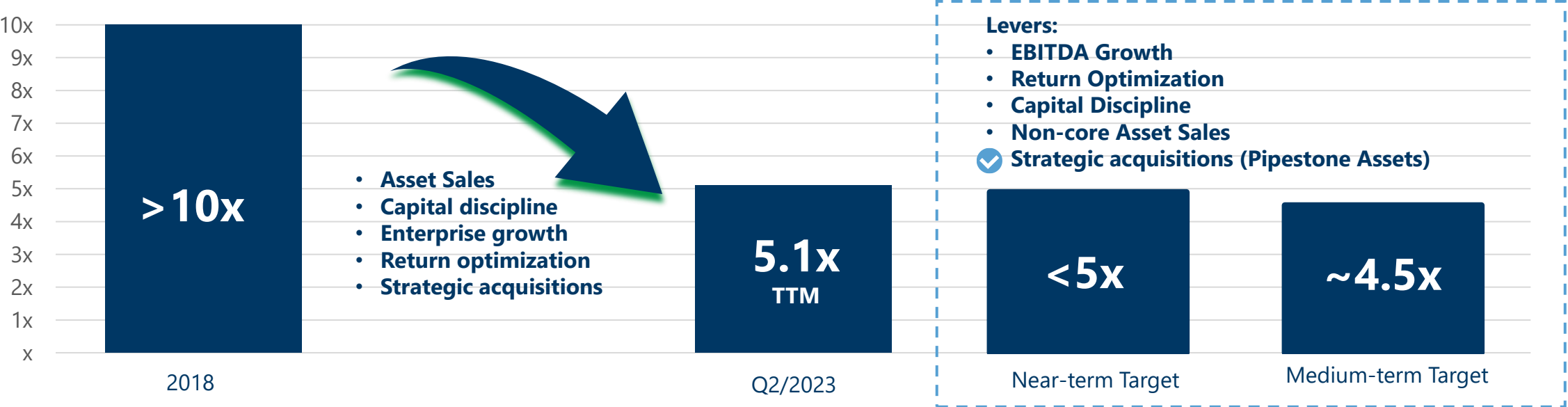
Average new customer market cap >\$4 billion with average leverage ratio of ~0.5x 2023 consensus net debt / EBITDA



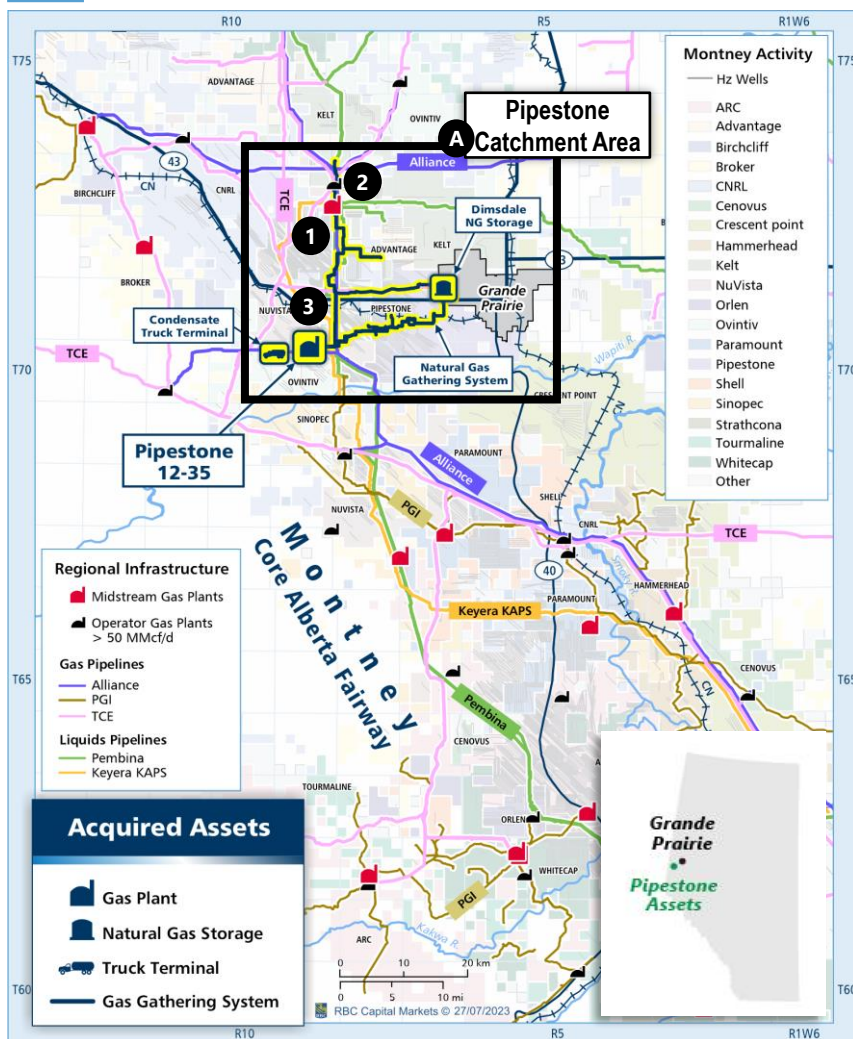
Remain Committed to Achieving Leverage Targets

- Credit accretive financing structure **provides ~0.1x net debt to normalized EBITDA credit accretion in 2025+.**
- Acquired assets expected to generate FFO growth, further deleveraging the balance sheet going forward.
- Additional asset sales have the potential to achieve leverage ratio target of **~4.5x net debt to normalized EBITDA.**
- **Decreasing leverage remains a top corporate priority.**

Net Debt¹ to normalized EBITDA¹

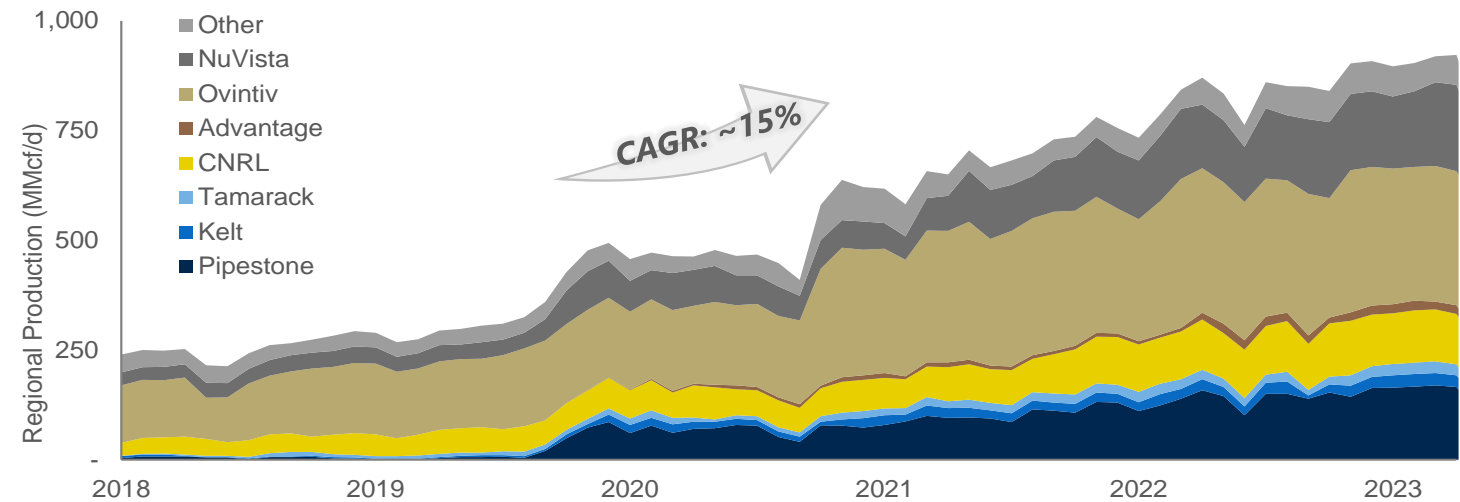


Pipestone is One of the Strongest WCSB Gas Development Areas



- Pipestone **gas processing plants** in the vicinity are **>90% utilized**
- Additional **processing capacity** and **liquids handling infrastructure** is **required** to support ongoing **Montney production growth**

#	Operator	Key Area Gas Plant Name	Licensed Capacity (MMcf/d)	Liquids Capacity (bbl/d)	Nov '21 – Oct '22 Utilization (%)	Nov. '22 – Apr. '23 Utilization (%)
1	Operator A	Pipestone	200	45,100	98%	106% ⁽¹⁾
2	Operator B	Wembley	127	9,300	80%	96%
3	Tidewater	Pipestone I	110	20,000	95%	90%
A	Pipestone Catchment Area Total		437	80,400	92%	99%



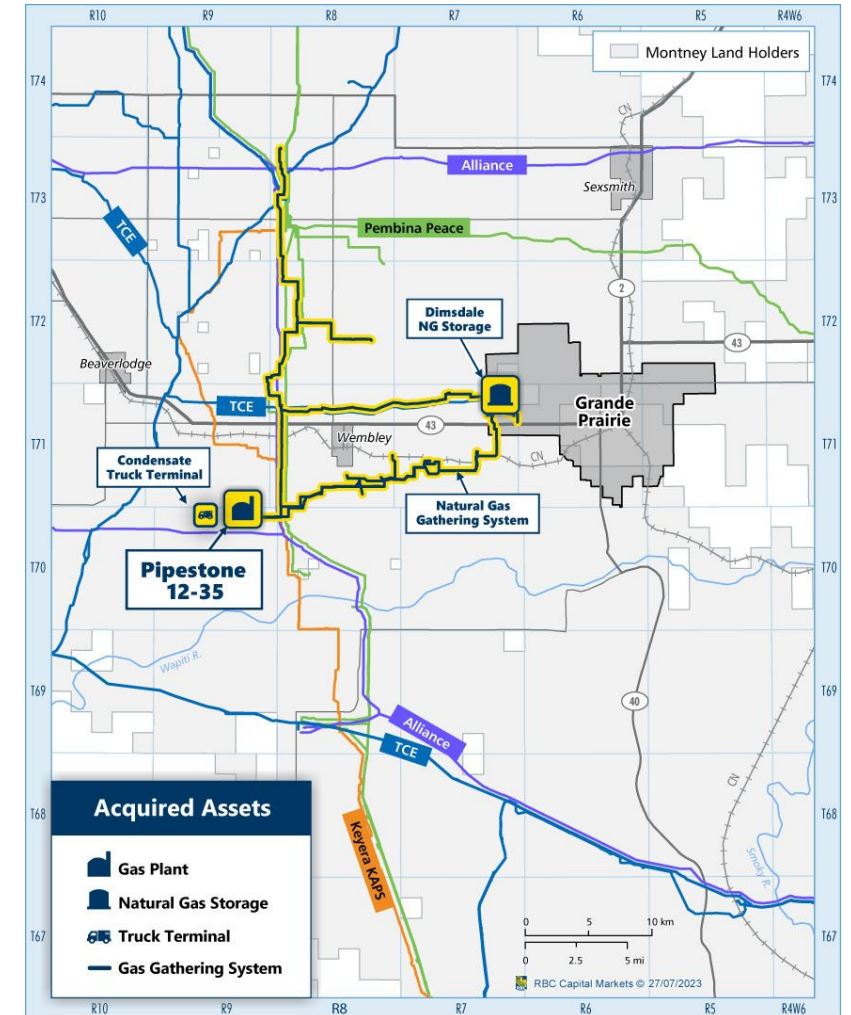
Source: GeoScout, corporate disclosures. 1. Facility expansions and debottlenecking increase actual facility capacities beyond publicly disclosed Licensed Capacity

Asset Overview: Pipestone I

- **Modern sour deep-cut gas processing facility in the heart of the Montney;** connected to NGTL and Alliance pipeline systems.
- Strong **long-term contracts with five leading Montney producers** for entire facility with >80% of processing revenue being take-or-pay.
- **20,000 Bbls/d liquids handling infrastructure** connected to Peace System with ability to connect to KAPS with minor modifications.
- **Condensate truck-in/truck-out terminal** provides enhanced options for liquids capture and egress optionality.
- **67 kms of gas gather pipeline systems** which are tied into area production.

Asset Overview	
Asset	Pipestone Phase I 12-35-070-09W6
Description	C2+ sour deep-cut, AGI
In-Service Date	September 2019
Licensed Capacity	110 MMcf/d

Key Operating Stats	
LTM Avg. Utilization	>90%
Contracted Volumes	110 MMcf/d
Percentage Take-or-pay	>80%

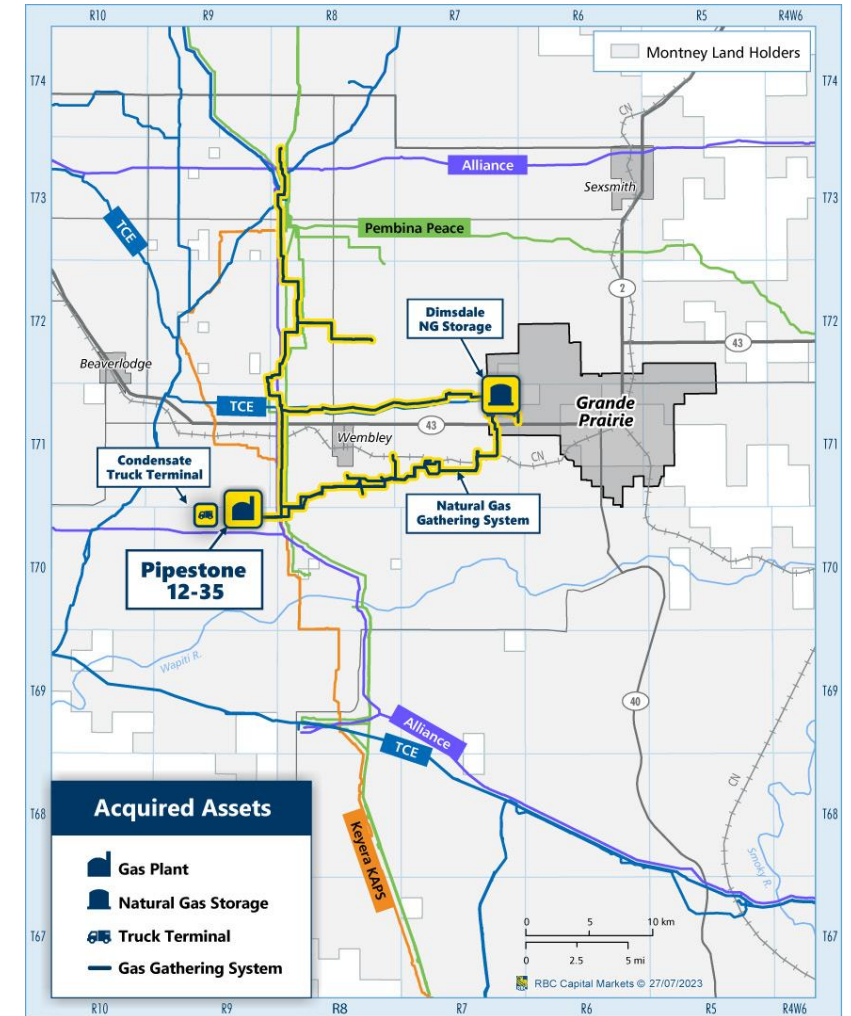


Asset Overview: Pipestone II

- **Expansion project** providing enhanced egress to leading Montney producers.
- **Will add 100 MMcf/d of gas processing and 20,000 Bbls/d liquids handling capacity** and connected to KAPS.
- **Demand underpinned by production growth and ongoing processing capacity constraints.** Overlapping Pipestone I customers expected to extend Phase I contracts to match Phase II commitments.
- Project is well-positioned for near-term provisional FID based on strong customer demand, fully-permitted / shovel-ready project, and multiple long-lead time items in hand.
- **Strong synergies with existing Phase I facility** expected to reduce operating costs and enhance run-time efficiencies, driving better customer outcomes.

Asset Overview	
Asset	Pipestone Phase II 12-35-070-09W6
Description	C2+ sour deep-cut, AGI
In-Service Date	Expected COD 2025
Licensed Capacity	100 MMcf/d

Key Operating Stats	
Expected Contracted Volumes	100 MMcf/d
Expected Percentage Take-or-pay	>80%



Asset Overview: Dimsdale Natural Gas Storage

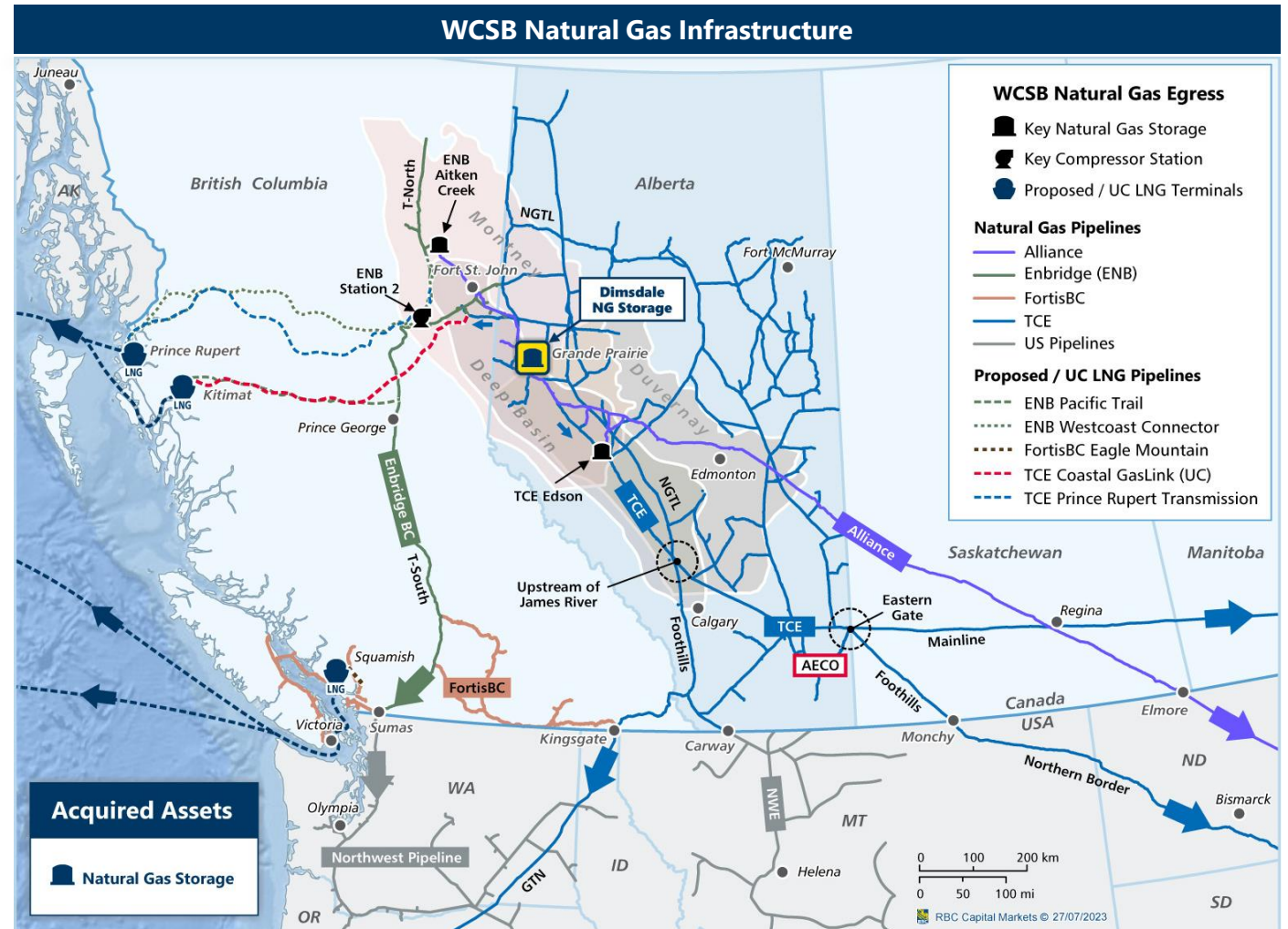
- **Premiere natural gas storage facility in the heart of the Montney**; connected to NGTL and Alliance pipeline systems.
- Strong **investment grade customers** provide **stable base business**; uncontracted capacity available to capture additional intrinsic and extrinsic value creation opportunities.
- Located **north of the Upstream James River constraints** within the NGTL system; provides unconstrained access to Montney gas volumes during periods of AECO volatility.
- **One of only three facilities** that will serve as a **balancing hub for Montney production and LNG demand pulls mid-decade** and will be **the only integrated processing and storage option** in the Montney.



Investment Grade Customers
Credit Ratings BBB+ to A-



5 years average contract duration



Asset Overview: Dimsdale Natural Gas Storage

- Facility **provides Pipestone customers with optionality to flow during takeaway outages**; protecting from shut-ins or large pricing volatility.
- **Expansion opportunity to increase working gas storage and injection and withdrawal rates by more than four-fold** through addition of inlet separation, compression, metering and other equipment.
- **Expansion project is shovel-ready and has all required regulatory approvals** to construct and commission the project within 18-24 months.

Facility Description	
Facility Type	Depleted Reservoir; High-Permeability Sandstone
In-Service Date	2017

Current Capacity	
Phase I Working Storage	15 Bcf (~17,000,000 GJ)
Phase I Max Injection	150 mmcf/d
Phase I Max Withdrawal	110 mmcf/d

Future Capacity	
Phase II Working Storage	69 Bcf (~76,000,000 GJ)
Phase II Max Injection	610 mmcf/d
Phase II Max Withdrawal	525 mmcf/d