



NEWS RELEASE

ALTAGAS UTILITY GROUP INC.

ANNOUNCES RECORD FIRST QUARTER 2009 RESULTS AND A QUARTERLY DIVIDEND OF \$0.05 PER SHARE

Calgary, Alberta (May 11, 2009) - - AltaGas Utility Group Inc. (Utility Group) (TSX: AUI) today announced that net income for the three months ended March 31, 2009 was \$5.7 million (three months ended March 31, 2008 - \$4.4 million) or \$0.71 per share (three months ended March 31, 2008 - \$0.54 per share), an increase of \$1.3 million. A dividend of \$0.05 per common share payable on July 15, 2009 to shareholders of record at the close of business on June 30, 2009 was also declared.

The \$1.3 million increase in net income was primarily due to 7.7 percent colder weather in Alberta than the same period last year, the coldest period since the three months ended March 31, 1996; lower average interest rates on Utility Group's debt; rate base average growth of 20 percent at AltaGas Utilities Inc. and Heritage Gas Limited; and an increase in the price received for natural gas at Ikhil. Utility Group also benefited from the comparative temporary timing difference on the recovery of cash income taxes through rates charged to customers in the first quarter of 2008.

"Utility Group had an outstanding start to 2009 with colder than normal weather in all of our franchise areas along with solid rate base growth that is reflected in our record quarter results," said Patricia Newson, President and Chief Executive Officer. "The recent slowdown of the economy in Alberta has brought AltaGas Utilities Inc.'s infill growth through its established franchises back to the 2.5 percent level, typical of historical growth rates in Alberta. Heritage Gas Limited sold more gas in this quarter than in any quarter in its history and is expected to maintain this growth through activation of large commercial and government customers in the balance of 2009."

Utility Group is a publicly traded company holding interests in AltaGas Utilities Inc., Heritage Gas Limited and Inuvik Gas Ltd. Combined, these regulated natural gas distribution businesses serve more than 71,000 customers in three areas of Canada through an infrastructure of over 20,000 kilometres of pipeline. Utility Group holds an interest in the Ikhil Joint Venture which produces and supplies natural gas in Inuvik, Northwest Territories. Utility Group pursues opportunities to invest in infrastructure-based utility and related businesses with long-term, stable returns.

FOR FURTHER INFORMATION

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ABOUT ALTAGAS UTILITY GROUP INC.

AltaGas Utility Group Inc. is a publicly traded company holding interests in AltaGas Utilities Inc., Heritage Gas Limited and Inuvik Gas Ltd. Combined, these regulated natural gas distribution businesses serve more than 69,000 customers in three areas of Canada through an infrastructure of nearly 22,000 kilometres of pipelines. Utility Group intends to pursue opportunities to invest in infrastructure-based utility and related businesses with long-term, stable returns.

FOR FURTHER INFORMATION

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