

CANADIAN UTILITIES LIMITED

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For Immediate Release

September 13, 2011

## **CANADIAN UTILITIES LIMITED ANNOUNCES INCREASE TO PREFERRED SHARE ISSUE**

CALGARY, Alberta – Canadian Utilities Limited announced today that as a result of strong investor demand for its previously announced offering of Cumulative Redeemable Second Preferred Shares Series Y, the size of the offering has been increased to 11 million shares. The aggregate gross proceeds will now be \$275 million. The proceeds will be used for capital expenditures, to repay indebtedness and for other general corporate purposes.

Canadian Utilities Limited has granted the underwriters an option to purchase at the offering price an additional 2 million Series Y Preferred Shares exercisable in whole or in part at any time up to 9:00 AM on the date that is 2 days prior to closing. Should the option be fully exercised, the total gross proceeds of the Series Y Preferred Share offering will be \$325 million.

The Series Y Preferred Shares will be issued to the public at a price of \$25.00 per share and holders will be entitled to receive fixed cumulative preferential cash dividends, payable quarterly for an initial period of five and a half years, as and when declared by the Board of Directors of the Corporation, at an annual rate of \$1.00 per share, to yield 4.00% annually. Thereafter, the dividend rate will reset every five years to the then current 5-Year Government of Canada Bond yield plus 2.40%. On June 1, 2017, and on June 1 of every fifth year thereafter, the Corporation may redeem the Series Y Preferred Shares in whole or in part at par.

Holders may elect to convert any or all of their Series Y Preferred Shares into an equal number of Cumulative Redeemable Second Preferred Shares Series Z on June 1, 2017, and on June 1 of every fifth year thereafter. Holders of the Series Z Preferred Shares will be entitled to receive quarterly floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors of the Corporation, equal to the then current 3-month Government of Canada Treasury Bill yield plus 2.40%. On June 1 of every fifth year following conversion, the Corporation may redeem the Series Z Preferred Shares in whole or in part at par; on any other date, the Corporation may redeem the Series Z Preferred Shares in whole or in part by the payment of \$25.50 for each share to be redeemed.

The offering is being made only in the provinces of Canada by means of a prospectus supplement and the closing date of the issue is expected to be on or about September 21, 2011.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution.

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Alberta-based Canadian Utilities Limited, an ATCO company, with more than 6,000 employees and assets of approximately \$11 billion, delivers service excellence and innovative business solutions worldwide with leading companies engaged in Utilities (pipelines, natural gas and electricity transmission and distribution), Energy (power generation, natural gas gathering, processing, storage and liquids extraction) and Technologies (business systems solutions). More information can be found at [www.canadian-utilities.com](http://www.canadian-utilities.com).

For further information, please contact:

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*Forward-Looking Information:*

*Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should", and similar expressions. 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. The Corporation believes that the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of regulatory decisions, competitive factors in the industries in which the Corporation operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Corporation. The forward-looking statements contained in this news release represent the Corporations' expectations as of the date hereof, and are subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.*

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