

CANADIAN UTILITIES LIMITED

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For Immediate Release

May 30, 2012

## **CANADIAN UTILITIES LIMITED ANNOUNCES PREFERRED SHARE ISSUE AND REDEMPTION OF CUMULATIVE REDEEMABLE SECOND PREFERRED SHARES SERIES 'X'**

CALGARY, Alberta – Canadian Utilities Limited announced today it has entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets and RBC Capital Markets, and including TD Securities Inc. and Scotiabank. The underwriters have agreed to buy 6,000,000 4.90% Cumulative Redeemable Second Preferred Shares Series AA at a price of \$25.00 per share for aggregate gross proceeds of \$150 million.

The Series AA 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 as and when declared by the Board of Directors of the Corporation at an annual rate of \$1.225 per share, to yield 4.90% annually. On or after September 1, 2017, the Corporation may redeem the Series AA Preferred Shares in whole or in part from time to time, at \$26.00 per share if redeemed during the 12 months commencing September 1, 2017, at \$25.75 per share if redeemed during the 12 months commencing September 1, 2018, at \$25.50 per share if redeemed during the 12 months commencing September 1, 2019, at \$25.25 per share if redeemed during the 12 months commencing September 1, 2020, and at \$25.00 per share if redeemed on or after September 1, 2021.

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 June 18, 2012.

Canadian Utilities Limited also announced today that it will redeem on June 30, 2012 all of its outstanding Cumulative Redeemable Second Preferred Shares Series X at a price of \$25.00 per share plus accrued and unpaid dividends per share. The \$150 million aggregate cost of redemption will be funded from the net proceeds of the Series AA Preferred Share offering and cash.

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.

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 6,700 employees and assets of approximately \$12 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 information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves 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 information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. In particular, there can be no assurance that a transaction will be completed. Any forward-looking information contained in this news release represents the Corporation's expectations as of the date hereof, and is subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*

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