



An **ATCO** Company

May 24, 2016

CU INC. ANNOUNCES CONVERSION RESULTS FOR ITS SERIES 4 PREFERRED SHARES

CALGARY, Alberta – CU Inc. (TSX: CIU.PR.C)

CU Inc. announced today that after having taken into account all election notices following the May 17, 2016 conversion deadline for the Cumulative Redeemable Preferred Shares Series 4 (“Series 4 Preferred Shares”) tendered for conversion into Cumulative Redeemable Preferred Shares Series 5 (“Series 5 Preferred Shares”), the holders of Series 4 Preferred Shares are not entitled to convert their Series 4 Preferred Shares into Series 5 Preferred Shares. There were approximately 204,540 Series 4 Preferred Shares tendered for conversion, which is less than the one million shares required to give effect to conversions into Series 5 Preferred Shares.

The Series 4 Preferred Shares will continue to pay on a quarterly basis, for the five-year period beginning on June 1, 2016, as and when declared by the Board of Directors of CU Inc., a fixed dividend based on an annual dividend rate of 2.24%.

For more information on the terms of, and risks associated with an investment in, the Series 4 Preferred Shares, please see CU Inc.’s short form prospectus dated November 24, 2010, which can be found under CU Inc.’s profile on SEDAR at www.sedar.com.

CU Inc. is a wholly-owned subsidiary of Canadian Utilities Limited, an ATCO Company. CU Inc. is an Alberta-based corporation with more than 4,300 employees and assets of approximately \$15 billion; comprised of rate regulated utility operations in pipelines, natural gas and electricity transmission and distribution. More information about CU Inc. can be found on the Canadian Utilities Limited website at www.canadianutilities.com.

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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 Company’s actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company 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.

Any forward-looking information contained in this news release represents the Company’s expectations as of the date hereof, and is subject to change after such date. The Company 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.