

February 22, 2018

CANADIAN UTILITIES REPORTS RECORD EARNINGS IN 2017

CALGARY, Alberta - Canadian Utilities Limited (TSX: CU, CU.X)

Canadian Utilities today announced record adjusted earnings for 2017 of \$602 million, or \$2.23 per share, compared to \$590 million, or \$2.21 per share, in 2016. Continued investment and rate base growth helped our regulated businesses deliver more energy to more customers than ever before.

Canadian Utilities had fourth quarter, 2017 adjusted earnings of \$162 million, or \$0.60 per share, compared to \$166 million, or \$0.62 per share, in the fourth quarter of 2016. Lower fourth quarter earnings were mainly due to lower contributions from the electricity generation businesses.

Canadian Utilities invested \$1,703 million in capital growth projects in 2017, of which 99 per cent was invested in assets that earn a return under a regulated business model or are under commercially secured long-term contracts.

In the 2018 to 2020 period, Canadian Utilities expects to invest an additional \$4.4 billion in Regulated Utility and commercially secured capital growth projects. This capital investment is expected to contribute significant earnings and cash flow, and create long-term value for share owners.

On January 11, 2018, Canadian Utilities declared a first quarter dividend for 2018 of 39.33 cents per Class A non-voting and Class B common share. Canadian Utilities' annual dividend per share has increased for 46 consecutive years, the longest record of annual dividend increases of any Canadian publicly traded company.

RECENT DEVELOPMENTS

- In December 2017, Canadian Utilities sold its 24.5 per cent ownership interest in ATCO Structures & Logistics Ltd. to its parent company, ATCO Ltd., for cash proceeds of \$140 million resulting in 100 per cent ownership by ATCO.
- In December 2017, Canadian Utilities announced the acquisition of a long-term contracted, 35 MW hydroelectric power station in Veracruz, Mexico. The \$114 million transaction closed on February 20, 2018.

- In December, Canadian Utilities and CYDSA S.A.B. de C.V. (CYDSA) announced the signing of a Memorandum of Understanding that will see the two companies work together to explore and develop midstream opportunities in Mexico's oil and gas industry. The initial focus will be on underground hydrocarbon storage in salt cavern formations and depleted reservoirs, and will also include opportunities in gas gathering and processing, natural gas liquids (NGL) extraction and fractionation.
- In November, CU Inc., a subsidiary of Canadian Utilities, issued \$430 million of 3.548 per cent 30-year debentures, the lowest long-term interest rate in the Company's history. Proceeds from this issuance were used to fund capital investments, to repay existing indebtedness, and for other general corporate purposes of the Alberta Utilities.
- In October, Alberta PowerLine successfully completed the largest public-private partnership debt financing in Canadian history with a \$1.4 billion bond financing. Alberta PowerLine is a partnership between Canadian Utilities (80 per cent) and Quanta Services, Inc. (20 per cent), with a 35-year contract from the Alberta Electric System Operator to design, build, own, and operate the Fort McMurray 500-kV Transmission project, running approximately 500 km from Wabamun, near Edmonton to Fort McMurray, Alberta. Construction is underway and is proceeding on schedule.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to Class A and Class B shares is provided below:

(\$ millions except share data)	For the Three Months Ended December 31		For the Year Ended December 31	
	2017	2016	2017	2016
Adjusted earnings ⁽¹⁾	162	166	602	590
Gain on sales of operations ⁽²⁾	—	—	30	13
Unrealized losses on mark-to-market forward commodity contracts ⁽²⁾	(53)	—	(90)	—
Impairment ⁽²⁾	(7)	—	(7)	—
Rate-regulated activities ⁽²⁾	(52)	22	(119)	(42)
Dividends on equity preferred shares	17	17	67	68
Other ⁽³⁾	(3)	(9)	—	(9)
Earnings attributable to Class A and Class B shares	64	196	483	620
Weighted average shares outstanding (millions of shares)	270.3	267.8	269.4	267.2

(1) Adjusted earnings are defined as earnings attributable to Class A and Class B shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of Canadian Utilities' earnings with other Canadian rate-regulated companies.

(2) Refer to Note 3 of the consolidated financial statements for detailed descriptions of the adjustments.

(3) The Company adjusted for the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

This news release should be used as a preparation for reading the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the quarter ended December 31, 2017 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 5,400 employees and assets of \$21 billion, Canadian Utilities Limited is an ATCO company. ATCO is a diversified global corporation delivering service excellence and innovative business solutions in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found 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.