



FOR IMMEDIATE RELEASE

St. John's, NL - July 22, 2009

FORTIS INC. ACQUIRES ADDITIONAL SHARES OF CARIBBEAN UTILITIES

Fortis Inc. ("Fortis") (TSX:FTS) announced today that it has acquired, through its wholly owned subsidiary Fortis Energy (Bermuda) Ltd., 768,200 Class A Ordinary Shares (the "CUC Shares") of Caribbean Utilities Company, Ltd. ("CUC") (TSX:CUP.U) at a price of US\$8.00 per share or approximately CDN\$8.78 per share. The 768,200 CUC Shares were acquired by Fortis pursuant to a private agreement dated July 22, 2009.

As a result of this acquisition of CUC Shares, Fortis now indirectly owns 16,757,528 CUC Shares, having increased its beneficial ownership position by approximately 2.7% to approximately 59.5% of the issued and outstanding CUC Shares.

The CUC Shares were acquired for investment purposes. Fortis will review its holdings in CUC Shares from time to time and may acquire additional securities or dispose of securities of CUC, in either case, in the open market, by private agreement or otherwise, depending on numerous factors, including, without limitation, the availability of securities of CUC, economic conditions, market conditions and other business and investment opportunities available to Fortis.

In acquiring the CUC Shares, Fortis relied on the private agreement exemption from the formal take-over bid requirements set forth in section 100.1(1) of the *Securities Act* (Ontario). Fortis was entitled to rely on this exemption because: (i) the acquisition of the CUC Shares was not made from more than five persons or companies; (ii) the offer to acquire the CUC Shares was not made generally to all holders of CUC Shares; and (iii) the value of the consideration paid for the CUC Shares, including brokerage fees or commissions, was not greater than 115% of the market price of the CUC Shares on the Toronto Stock Exchange on July 22, 2009, as determined in accordance with section 1.3 of Ontario Securities Commission Rule 62-504 – *Take-Over Bids and Issuer Bids*.

Fortis is the largest investor-owned distribution utility in Canada. The Corporation has total assets approaching \$12 billion and annual revenues totalling \$3.9 billion, and serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. Fortis owns non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate in Canada. The Corporation's common shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at www.fortisinc.com or www.sedar.com.

Fortis includes forward-looking information in this media release within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding the Corporation's future growth, results of operations, performance, business prospects and opportunities and may not be appropriate for other purposes. All forward-looking information is given pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to the Corporation's management. The forward-looking information in this media release includes but is not limited to, the statement that Fortis will review its holdings in CUC Shares from time to time and may acquire additional securities or dispose of securities of CUC. The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major event; the continued ability to maintain the gas and electricity systems to ensure their continued performance; no significant decline in capital spending in 2009; no severe and prolonged downturn in economic conditions; sufficient liquidity and capital resources; the continuation of regulator-approved mechanisms to flow through the commodity cost of natural gas and energy supply costs in customer rates; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates and natural gas commodity prices; no significant variability in interest rates; no significant counterparty defaults; the continued competitiveness of natural gas pricing when compared with electricity and other alternative sources of energy; the continued availability of natural gas supply; the continued ability to fund defined benefit pension plans; the absence of significant changes in government energy plans and environmental laws that may materially affect the operations and cash flows of the Corporation and its subsidiaries; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; retention of existing service areas; no material decrease in market energy sales prices; favourable relations with First Nations; favourable labour relations; and sufficient human resources to deliver service and execute the capital program. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory risk; operating and maintenance risks; economic conditions; capital resources and liquidity risk; weather and seasonality; an ultimate resolution of the expropriation of the assets of the Exploits River Hydro Partnership that differs from what is currently expected by management; commodity price risk; derivative financial instruments and hedging; interest rate risk; counterparty risk; competitiveness of natural gas; natural gas supply; defined benefit pension plan performance and funding requirements; risks related to the development of the Terasen Gas (Vancouver Island) Inc. franchise; the Government of British Columbia's Energy Plan; environmental risks; insurance coverage risk; an unexpected outcome of legal proceedings currently against the Corporation; licences and permits; loss of service area; market energy sales prices; changes in current assumptions and expectations associated with the transition to International Financial Reporting Standards; changes in tax legislation; relations with First Nations; ; labour relations; and human resources. For additional information with respect to the Corporation's risk factors, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Management Discussion and Analysis for the three months ended March 31, 2009 and for the year ended December 31, 2008.

All forward-looking information in this media release is qualified in its entirety by the above cautionary statements and, except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

For more information or to receive a copy of the Early Warning Report relating to this media release, please contact:

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