



December 21, 2017

ATCO EXPANDS GLOBAL RENEWABLES PORTFOLIO WITH HYDRO ACQUISITION IN MEXICO

CALGARY, Alberta – ATCO Ltd. (TSX: ACO.X, ACO.Y), Canadian Utilities Limited (TSX: CU, CU.X)

ATCO announced today that Canadian Utilities Limited, an ATCO company, has entered into an agreement to acquire Electricidad del Golfo (EGO), which owns a 35 megawatt (MW) hydroelectric power station in the state of Veracruz, Mexico. The acquisition continues to cement ATCO's position in the recently reformed Mexican energy market, and is an important step as the company further develops a flexible and diverse portfolio of electricity assets to meet the evolving needs of its customers.

"The energy sector is changing, and we are playing a key role in enabling that transition for our customers around the world," said Wayne Stensby, Managing Director, Electricity with ATCO. "Our existing presence in Mexico affords us invaluable knowledge of the local operating environment, regulatory framework and community relationships, all of which are crucial as we continue to grow our footprint in this diverse and vibrant market."

In commercial operation since 2014, power output from the hydroelectric facility is under long-term contract. ATCO will also assume EGO's existing management team, whose local expertise will be important as the company continues to grow in the region.

The aggregate purchase price of the proposed transaction is approximately \$114 million. The proposed transaction is subject to customary conditions and is anticipated to close in the first quarter of 2018.

The acquisition marks the latest milestone in ATCO's growth in Mexico, where the company continues to expand its integrated offering of energy and infrastructure solutions. Most recently, in February 2017, ATCO announced that it had partnered with RANMAN Energy to develop an innovative and highly scalable distributed power generation solution in the rapidly developing World Trade Centre Industrial Park in San Luis Potosí.

With approximately 7,000 employees and assets of \$21 billion, 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.ATCO.com.

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News Release

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.