

DIVIDEND REINVESTMENT

All dividends payable on Class A Ordinary Shares recorded for participation in the Plan, including Class A Ordinary Shares acquired and retained under the Plan, will be used by CUC to purchase additional Class A Ordinary Shares for the Participant's account on the Investment Date.

SHARE PURCHASE AND PRICE OF CLASS A ORDINARY SHARES

On the Investment Date, CUC will use all allowable cash payments received from each Participant pursuant to the Plan and the interest accrued thereon and all of the cash dividends on Class A Ordinary Shares recorded in the Participant's account, to purchase Class A Ordinary Shares for the Participant's account. At CUC's option, the Class A Ordinary purchased are issued from treasury or acquired through the facilities of The Toronto Stock Exchange.

At the discretion of the Company, the Class A Ordinary Shares required to satisfy the requirements of the Plan can be obtained from treasury at the average market price or from the open market. In the event that the trading price of the Class A Ordinary Shares is at or below the 20-day average market price, the Plan requirements may be fulfilled (to the extent possible) through market purchases (and any remaining balance will be issued from treasury). Provided there has been trading of the Ordinary Shares (trading symbol: "CUP.U") on The Toronto Stock Exchange for at least ten days of the twenty days preceding the date as of which the average market price is being determined, the average market price is determined as an amount equal to the simple average of the closing price of the Class A Ordinary Shares for each of the business days on which there was a closing price falling not more than twenty days before that date. Where there has been trading of Class A Ordinary Shares on The Toronto Stock Exchange for fewer than ten days of the twenty days preceding the date as of which the average market price is being determined, the market price shall be the weighted average of all Class A Ordinary Shares traded on each of the business days on which there was a closing price falling not more than twenty days preceding the date as of which the average market price is being determined.

RIGHTS OFFERING

If the Company makes available to its registered holders of Class A Ordinary Shares any right to subscribe for additional shares or other securities, rights certificates will be forwarded to Participants in the Plan in proportion to the number of whole Class A Ordinary Shares being held for them. Such rights will not be made available for any fraction of a share held for a Participant.

STOCK DIVIDENDS AND STOCK SPLITS

Any stock dividends and any Class A Ordinary Shares resulting from a consolidation or subdivision of Class A Ordinary Shares will be credited to the account of each Participant based on the whole and fractional Class A Ordinary Shares held therein.

ACCOUNT

CUC's registrar and transfer agent, CIBC Mellon Trust Company ("CIBC Mellon Trust"), will maintain a customer share purchase account for each Participant. A statement of account will be mailed to each Participant by CIBC Mellon Trust as soon as practicable after each Investment Date. Each such statement will indicate changes on the account over the relevant period including:

- the amount of any cash payments received by CIBC Mellon Trust from the Participant and interest accrued thereon;
- the number of Class A Ordinary Shares withdrawn from the account;
- the dividends received by CUC in respect of Class A Ordinary Shares recorded in the account; and
- the number of additional Class A Ordinary Shares purchased for the account.

REGISTRATION AND SHARE CERTIFICATES

All whole and fractional Class A Ordinary Shares purchased and retained under the Plan will be registered in the name of CIBC Mellon Trust as the Plan administrator for the benefit of the Participants.

Certificates for the Plan will be provided upon written request to CIBC Mellon Trust from the Participant or upon termination of participation in the Plan. Upon the issuance of certificates, the Class A Ordinary Shares they represent will be removed from the Participant's account under the Plan. Certificates for the whole Class A Ordinary Shares held in the Participant's account will be issued and registered in the name of the Participant or in the name of such other person as the Participant may designate in writing to CIBC Mellon Trust. Payment by cheque will be made for any fraction of a Class A Ordinary Share in the account of such Participant, based on the average market price determined for the preceding Class A Ordinary Share dividend payment date.

TERMINATION OF PARTICIPATION

Participation in the Plan may be terminated by a Participant by written notice to CIBC Mellon Trust. Participation in the Plan will also be terminated by CIBC Mellon Trust upon receipt of written notice of (i) the death of the Participant, (ii) a change of address of a Participant from a local to an overseas address; or (iii) a termination of the Participant's contract with CUC for the supply of electricity.

Where notice of termination is received after a dividend record date for Class A Ordinary Shares, but before the payment of the dividend, it will not become effective until after the payment of such dividend. Otherwise termination will be effective upon receipt of the notice by CIBC Mellon Trust.

Where a Participant has not made a cash payment in the previous twenty-four months, CUC may terminate that Participant's participation in the Plan.

Upon suspension or termination of the Plan by CUC, participation by all Participants will terminate.

Any cash payment received prior to termination of participation but not invested in Class A Ordinary Shares will be returned to the Participant upon such termination.

Upon termination of participation, the Participant will receive a certificate for the whole Class A Ordinary Shares held in the Participant's account together with a payment by cheque for any fraction of a Class A Ordinary Share in the account of such Participant, based on the average market price determined for the preceding Class A Ordinary Share dividend payment date.

SHARE VOTING

The Class A Ordinary Shares held by CIBC Mellon Trust for Participants representing fractional interests in Class A Ordinary Shares will not be voted. Whole Class A Ordinary Shares held by CIBC Mellon Trust for Participant's account will be voted in accordance with the Participant's instructions. Class A Ordinary Shares held under the Plan for which instructions are not received will not be voted.

RESPONSIBILITIES OF CUC AND CIBC MELLON TRUST

Neither CIBC Mellon Trust nor CUC shall be liable under the Plan, except in the case of wilful misconduct, for any act or for any omission to act including, without limitation, any claims of liability with respect to the price at which Class A Ordinary Shares are purchased for the Participant's account.

Participants should recognize that neither CIBC Mellon Trust nor CUC can assure a profit or protect against a loss on the Class A Ordinary Shares purchased under the Plan.

AMENDMENT, MODIFICATION, SUSPENSION OR TERMINATION OF THE PLAN

CUC reserves the right to amend, modify, suspend or terminate the Plan at any time but such action shall have no retroactive effect which would prejudice the interest of Participants. All Participants will be sent written notice of any such amendments, modification, suspension or termination.



PART I THE PLAN IN SUMMARY

PRINCIPAL FEATURES OF THE PLAN

The Customer Share Purchase Plan (the "Plan") offers customers resident in Grand Cayman, Cayman Islands two convenient methods of investing in Caribbean Utilities Company, Ltd. ("CUC" or the "Company"):

1. make cash payments of not less than C\$25 (US\$30) per purchase and up to a total of C\$12,000 (US\$14,400) per year for the purchase of Class A Ordinary Shares of CUC; and

2. retain the Class A Ordinary Shares in the Plan and have the cash dividends on such shares reinvested in additional Class A Ordinary Shares.

In both instances the Class A Ordinary Shares are acquired from CUC at not more than 100% of the average market price which is calculated using the daily closing prices of CUC Class A Ordinary Shares on The Toronto Stock Exchange over a specified period.

All administrative costs are borne by the Company and there is no brokerage commission for the Class A Ordinary Shares acquired under the Plan.

ELIGIBLE CUSTOMERS

All CUC Customers who are residents of Grand Cayman, Cayman Islands are eligible to participate in the Plan.

HOW TO PARTICIPATE

To join the Plan, an eligible Customer must complete and sign a Customer Participation Form and forward it along with the cash payment, bank draft or money order (payable to "Caribbean Utilities Company, Ltd.") to CUC at the address indicated. Cash payments should be made in person at CUC's cash office located on North Sound Road, Grand Cayman.

Further cash payments for additional purchases may be made any time. All payments should be accompanied by the Customer Participation Form properly completed and signed.

THE INVESTMENT DATE

Participation in the Plan becomes effective when CUC receives the completed Customer Participation Form and the cash payment. Cash payments received from Participants are invested on the dividend payment date for CUC Class A Ordinary Shares following receipt of such payments by the Company, if the payment is received at least five full business days prior thereto. Cash dividends on Class A Ordinary Shares acquired and retained under the Plan are reinvested on the dividend payment date.

Class A Ordinary Shares dividend payment dates for CUC are usually in the first week in the months of March, June, September and December.

ADMINISTRATION

CUC's registrar and transfer agent, CIBC Mellon Trust Company, will maintain an account for each participant.

Following each Class A Ordinary Share dividend payment date, a statement of account will be sent by mail to each Participant.

WITHDRAWAL FROM THE PLAN

Participants may withdraw from the Plan by notifying CUC or its registrar and transfer agent in writing.

CAUTION

The foregoing constitutes only a summary of some of the features of the Plan. The terms and conditions are described in full in this brochure and a Customer should read them carefully before signing the Customer Participation Form.

If any interpretation of the Customer Share Purchase Plan is required, the text of the section entitled "Part II Terms and Conditions" shall govern.

CARIBBEAN UTILITIES COMPANY, LTD.

CUC is a company duly incorporated and validly existing under the laws of the Cayman Islands and has its registered office at P.O. Box 38 GT, North Sound Road, Grand Cayman. The Company operates the only public electric utility on Grand Cayman, Cayman Islands. Pursuant to a 25-year licence from the Government of the Cayman Islands entered into in 1986, the Company has the exclusive right to generate, transmit and distribute electricity on Grand Cayman.

The Class A Ordinary Shares of CUC are listed in United States funds on The Toronto Stock Exchange (trading symbol: "CUP.U").

Holders of Class A Ordinary Shares are entitled to one vote per share at all meetings of the holders of Class A Ordinary Shares of CUC. All Class A Ordinary Shares are fully paid when issued and are nonassessable and rank equally in respect of dividend payments and winding-up or dissolution of the Company.

USE OF PROCEEDS

The net proceeds to CUC from the sale of Class A Ordinary Shares under the Plan will be the total of all cash payments and dividends invested by Participants under the Plan. The proceeds as and when received by CUC will be used for working capital purposes.

FINANCIAL DISCLOSURE

The financial year of CUC ends on April 30th. Audited financial statements are produced annually and distributed to all shareholders. Unaudited financial statements are prepared and distributed each intervening three (3) month period or quarter. A copy of the latest annual report and of the latest quarterly report are available upon request from CUC.

As a publicly-traded company, CUC is required to make full, true and plain disclosure of all material facts relating to the Class A Ordinary Shares of CUC and report any material change on a timely basis with the appropriate securities commissions and similar regulatory authorities in each of the Provinces of Canada in which it is a reporting issuer. All such disclosure documents (excluding confidential reports) filed with such commissions or authorities from time to time are deemed to be incorporated in this brochure by reference.

A copy of any such document is available upon request from CUC. No securities commission or similar authority in Canada has in any way passed upon the merits of the Class A Ordinary Shares of CUC.

TAX CONSIDERATIONS

CUC has been advised that, under the laws of the Cayman Islands, no income tax or withholding tax will be applicable in the Cayman Islands to holders of Class A Ordinary Shares. There are also no currency controls in the Cayman Islands.

This summary is of a general nature and it is not intended to be nor should it be construed to be legal or tax advice to any particular investor and no representation with respect to the income tax consequences to any particular investor is made hereby.

Customers wishing to participate in the Plan should consult their own tax advisors if they are in doubt as to their tax position.

NOTICES

All notices, questions and other communications concerning the Plan should be addressed to:

Customer Share Purchase Plan
Caribbean Utilities Company, Ltd.
P.O. Box 38 GT
Grand Cayman
Cayman Islands

Telephone: (345) 949-5200
Website: www.cuc-cayman.com

- or -

CIBC Mellon Trust Company
P.O. Box 7010
Adeelaide Street Postal Station
Toronto, Ontario
Canada M5C 2W9

Telephone: (416) 643-5500
Website: www.cibcmellon.ca

EFFECTIVE DATE

The effective date of the Plan is January 1, 1995.

PART II TERMS AND CONDITIONS

CUC is offering customers resident in Grand Cayman, Cayman Islands the opportunity to purchase through the Plan Class A Ordinary Shares in the capital of the Company. This offer is valid only within Grand Cayman, Cayman Islands.

ELIGIBILITY

For the purpose of the Plan, a resident is a person with a mailing address in Grand Cayman and a customer is a person who is party to the contract with CUC for the supply of electricity. Every person who is a customer and is resident in Grand Cayman (a "Customer") is eligible to become a participant in the Plan (a "Participant"). No other persons are eligible to participate in the Plan.

PARTICIPATION

To become a Participant, a Customer must complete a form provided by CUC for participation in the Plan (a "Customer Participation Form") and forward it to CUC together with the duly completed Customer Participation Form and cash payment.

CASH PAYMENTS

A Participant may make cash payments or payments by bank draft or money order to CUC to be used to purchase Class A Ordinary Shares for the Participant's account on the next dividend payment date for Class A Ordinary Shares following, by at least five full business days, the receipt by CUC of the payment (the "Investment Date"). Payments should be made payable to "Caribbean Utilities Company, Ltd." and cannot be less than C\$25 (US\$30) per remittance nor exceed an aggregate of C\$12,000 (US\$14,400) for any Participant in any calendar year. Payments in cash should be made in person at CUC's cash office located on North Sound Road, Grand Cayman. Payment by bank draft or money order may be made in person or mailed to CUC. A Customer Participation Form should accompany each payment.

Interest will accrue on payments from the date of receipt by CIBC Mellon Trust Company up to the Investment Date at a nominal annual rate equal to the nominal annual rate set for each calendar quarter quoted by Canadian Imperial Bank of Commerce, Toronto, Canada, on its daily interest savings account at the beginning of each quarter. Accrued interest will be used to purchase Class A Ordinary Shares for the Participant's account on the Investment Date.

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