



February 7, 2011

FOR IMMEDIATE RELEASE

CARIBBEAN UTILITIES COMPANY, LTD. REPORTS RECENT GENERATION FAILURES AT NORTH SOUND PLANT IN GRAND CAYMAN

Grand Cayman, Cayman Islands - On Saturday, February 5, Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) experienced a major mechanical failure of a Mirrlees 7.59 megawatt (“MW”) generator. There were no personnel injuries and damage was contained to the single diesel engine. This engine was installed in 1991, and was scheduled for retirement in 2012.

The failure follows an incident on the plant site on Friday, January 28, 2011, in which equipment associated with an MAK 9 MW generator was damaged due to an explosion during a start process. That incident resulted in injuries to two employees, one of whom remains in critical condition. Damage to the unit was contained to peripheral equipment. The investigation is ongoing.

While the Company believes that losses excluding deductibles from both incidents, including the cost of temporary generation and business interruption are covered by the Company’s comprehensive insurance policies, delays in realizing insurance payouts could result in significant receivables to the Company. The Company also continues to pursue an insurance claim in respect of the failure of a 16 MW generation unit in September of 2010 which will remain out of service until April 2011 due to the extensive scope of repairs.

The generation units in question had all been serviced within established maintenance intervals. Investigations are ongoing and involve manufacturers’ representatives and independent investigators appointed by the insurers.

In addition to the damaged equipment noted above, the Company is working to expedite maintenance work in order to restore 14 MW of generation capacity currently down for routine service. The Company is also in the process of securing temporary generation to be brought on island to restore the required generating capacity reserves. Until this temporary capacity is in place and the out-of-service capacity is restored, further unplanned maintenance outages may lead to rotating customer outages of up to an hour each in duration due to short term capacity shortfalls.

CUC provides electricity to Grand Cayman, Cayman Islands, under an Electricity Generation Licence expiring in 2029 and an exclusive Electricity Transmission and Distribution Licence expiring in 2028. Further information is available at www.cuc-cayman.com.

Caribbean Utilities Company, Ltd. is listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol “CUP.U”.

Caribbean Utilities Company, Ltd., on occasion, includes forward-looking statements in its media releases, Canadian securities regulatory authorities filings, shareholder reports and other communications. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as “expects”, “anticipates”, “plan”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “schedule”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”. Forward-looking statements are based on underlying assumptions by their very nature and are subject to certain risks and uncertainties that may cause actual results to vary from plans, targets and estimates. Such risks and uncertainties include but are not limited to general economic, market and business conditions, regulatory developments and weather conditions. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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