



October 29, 2020

Caribbean Utilities Company, Ltd. Announces Closing of Rights Offering

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

Grand Cayman, Cayman Islands, October 29, 2020 - Caribbean Utilities Company, Ltd. (TSX: CUP.U) (“CUC” or “the Company”) is pleased to announce the successful completion of its previously announced rights offering (the “Offering”), which expired at 4:00 p.m. (Toronto time) on October 26, 2020. Following completion of the Offering, the Company has 36,952,986 Class A Ordinary shares (the “Class A Ordinary Shares”) of the Company issued and outstanding.

Upon closing of the Offering, the Company issued 3,359,362 Class A Ordinary Shares at a price of US\$14.24 per Class A Ordinary Share for aggregate gross proceeds of US\$47,837,314.88. Pursuant to the terms of the Offering, each eligible holder of Class A Ordinary Shares (each, a “Shareholder”) was entitled to subscribe for 0.10 of a Class A Ordinary Share for every right held by such Shareholder.

The Company intends to use the net proceeds of the Offering to refinance existing debt and for general corporate purposes.

Pursuant to the Offering, the Company issued 2,402,135 Class A Ordinary Shares under the basic subscription privilege, of which, to the knowledge of the Company after reasonable inquiry, 1,953,330 Class A Ordinary Shares were issued to insiders (including 1,946,032 Class A Ordinary Shares issued to Fortis Energy (Bermuda) Ltd., a wholly-owned subsidiary of Fortis Inc. (the “Stand-By Purchaser”), the Company’s controlling Shareholder). Pursuant to the Offering, the Company also issued 159,356 Class A Ordinary Shares under the additional subscription privilege, of which, to the knowledge of the Company after reasonable inquiry, 4,482 Class A Ordinary Shares were issued to insiders (none of which were issued to the Stand-By Purchaser). The remaining 797,871 Class A Ordinary Shares were issued by the Company to the Stand-By

Caribbean Utilities Company, Ltd.

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Purchaser pursuant to the terms of the stand-by purchase agreement dated August 24, 2020 entered into between the Company and the Stand-By Purchaser (the “Stand-By Commitment”).

Following completion of the Offering FEBL owns 60% of the issued and outstanding Class A Ordinary Shares on a non-diluted basis. No fee was payable by the Company to FEBL in respect of the Stand-By Commitment. The Company agreed to pay the reasonable fees and out-of-pocket expenses of FEBL in connection with the negotiation and execution of the Stand-By Agreement. A copy of the early warning report filed by the Stand-By Purchaser on August 24, 2020 is available on the Company’s profile at www.sedar.com.

About CUC

CUC provides electricity to Grand Cayman, Cayman Islands, under an Electricity Generation Licence expiring in 2039 and an exclusive Electricity Transmission and Distribution Licence expiring in 2028. Further information is available at www.cuc-cayman.com.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “schedules”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”. The forward-looking statements contained in this news release include, but are not limited to, the intended use of proceeds of the Offering. Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to certain risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Such risks and uncertainties include but are not limited to operational, 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. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. 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 except as required by law.



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