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February 4, 2010 FOR IMMEDIATE RELEASE

Grand Cayman, Cayman Islands

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

CUC Announces Fourth Quarter and Twelve Month Results for the Period Ended December 31, 2009

Grand Cayman, Cayman Islands- Caribbean Utilities Company, Ltd. ("CUC" or the "Company") announced today its unaudited results for the fourth quarter and 12 months ended December 31, 2009 (all figures in United States dollars).

Net earnings for the three months ended December 31, 2009 were $5.9 million, representing an increase of 79% or $2.6 million from net earnings of $3.3 million for the three months ended December 31, 2008. This increase in earnings is primarily due to an 11% kWh sales growth quarter over quarter.

President and CEO of CUC Mr. Richard Hew said, "We are pleased with the Company's performance this quarter which was helped by the relatively warm and dry weather for the period as compared to last year. Fourth quarter 2008 was negatively impacted by cooler than average temperatures, higher than average rainfall and the passage of Hurricane Paloma." He added, "Although growth in sales on the island has slowed compared to recent years, the Company has managed to minimize the effect on earnings through reduced capital and other expenditures and will continue to seek opportunities to operate the business within the available financial resources."

Net earnings for the twelve months ended December 31, 2009 were $20.0 million, representing a 1% or $0.2 million increase from net earnings of $19.8 million for the twelve months ended December 31, 2008. This increase in earnings is primarily due to 2% kWh sales growth and lower general and administration, consumer service and promotion, transmission and distribution, maintenance and finance costs in 2009. These factors were partially offset by higher depreciation costs in 2009 and a favourable fuel cost recovery due to timing of recovery in 2008. The introduction of a fuel tracker mechanism in the Company's 2008 Transmission & Distribution Licence has eliminated favourable or adverse timing differences in fuel cost recovery.

Operating revenues decreased 18%, or $9.6 million, to $43.9 million for the three months ended December 31, 2009 from $53.5 million for the three months ended December 31, 2008. Operating revenues decreased 24%, or $49.2 million, to $158.8 million for the twelve months ended December 31, 2009 from $208.0 million for the twelve months ended December 31, 2008. Operating revenues are lower mainly due to lower fuel factor revenues in 2009 driven by lower fuel costs.

Mr. Hew added that, "Reliability, measured by the Average System Availability Index, was 99.96% and exceeded 2008 results. CUC will strive to maintain this performance through the completion of capital projects such as the Rum Point to Frank Sound transmission line and other operational improvements."

CUC's Fourth Quarter Report for the period ended December 31, 2009 is attached to this release. This report contains a detailed discussion of CUC's unaudited fourth quarter financial results, the Cayman Islands economy, liquidity and capital resources, capital expenditures and the business risks facing the Company. The release and Fourth Quarter Report can be accessed at www.cuc-cayman.com (Investor Relations/Press Releases) and at www.sedar.com.

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.

CUC includes forward-looking statements in this material. 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 and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Some of the important risks and uncertainties that could affect forward looking statements are described in the MD&A in the section labeled "Business Risks" and include but are not limited to general economic, market and business conditions, regulatory developments and weather. 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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Financial and Operational Highlights

The Company changed its year end from April 30 to December 31. Beginning January 1, 2009 each twelve month period will conclude on December 31. This change led to what is referred to as the 2008 transitional period spanning May 1, 2008 to December 31, 2008. The following analysis of the results of operations for the three and twelve months ended December 31, 2009 and accompanying unaudited interim financial statements include comparisons to the previously unreleased interim and unaudited financial statements for the three and twelve months ended December 31, 2008. This analysis and the accompanying interim unaudited financial statements have been prepared following the same accounting policies and methods as those used in preparing the most recent interim unaudited financial statements. The financial statements and analysis in this press release were approved by the Audit Committee.

($ thousands, except basic earnings per ordinary share, dividends paid per ordinary share and where otherwise indicated)	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Twelve Months Ended December 31, 2009	Twelve Months Ended December 31, 2008	Change for the Twelve Months	% Change for the Twelve Months
Electricity Sales	**18,137**	15,768	**70,491**	67,326	**3,165**	5%
Fuel Factor Revenues	**25,714**	37,763	**88,318**	140,711	**(52,393)**	-37%
Operating Revenues	**43,851**	53,531	**158,809**	208,037	**(49,228)**	-24%
Operating Expenses	**36,836**	49,584	**134,834**	183,223	**(48,389)**	-26%
Earnings for the Period	**5,893**	3,309	**20,013**	19,767	**246**	1%
Weighted average number of Class A Ordinary Shares	**28,231**	28,022	**28,160**	26,278	**1,882**	7%
Basic Earnings per Class A Ordinary Share	**0.20**	0.11	**0.67**	0.72	**(0.05)**	-7%
Dividends paid per Class A Ordinary Share	**0.165**	0.165	**0.660**	0.660	**-**	0%
Peak Load Gross (MW)	**96.9**	88.2	**97.5**	93.8	**3.7**	4%
Net Generation (millions of kWh)	**152.3**	135.4	**597.4**	585.1	**12.3**	2%
Kilowatt-Hour Sales (millions of kWh)	**142.4**	127.8	**558.1**	547.7	**10.4**	2%
Total Customers	**25,461**	24,518	**25,461**	24,518	**943**	4%

Earnings

Net earnings for the three months ended December 31, 2009 were $5.9 million, representing an increase of 79% or $2.6 million from net earnings of $3.3 million for the three months ended December 31, 2008. This increase in earnings is primarily due to an 11% kiloWatt-hour (“kWh”) sales growth quarter over quarter. Fourth quarter 2008 was negatively impacted by cooler than average temperatures, higher than average rainfall and the passage of Hurricane Paloma.

Net earnings for the twelve months ended December 31, 2009 were $20.0 million, representing a 1% or $0.2 million increase from net earnings of $19.8 million for the twelve months ended December 31, 2008. This increase in earnings is primarily due to 2% kWh sales growth and lower general and administration, consumer service and promotion, transmission and distribution, maintenance and finance costs in 2009. These factors were partially offset by higher depreciation costs in 2009 and a favourable fuel cost recovery due to timing of recovery in 2008. The introduction of a fuel tracker mechanism in the Company's 2008 Transmission & Distribution Licence has eliminated favourable or adverse timing differences in fuel cost recovery.

Earnings per share

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the three months ended December 31, 2009 were $5.5 million, or $0.20 per Class A Ordinary Share, as compared to $3.2 million, or $0.11 per Class A Ordinary Share for the three months ended December 31, 2008. An additional accrual was made for dividends to preference share holders in 2009 of $0.3 million in order to align dividends with the calendar year end in accordance with the Company's Articles of Association. This additional accrual affected the earnings on Class A ordinary shares.

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the twelve months ended December 31, 2009 were $18.8 million, or $0.67 per Class A Ordinary Share, as compared to $18.8 million, or $0.72 per Class A Ordinary Share for the twelve months ended December 31, 2008. The weighted average number of shares used for the calculation of earnings per share increased 7% following the August 2008 rights offering and for the twelve months ended December 31, 2008 was 26.3 million as compared to 28.2 million for the twelve months ended December 31, 2009.

Sales

KiloWatt-hour sales for the three months ended December 31, 2009 increased 11% to 142.4 million in comparison to 127.8 million for the three months ended December 31, 2008. Sales were positively impacted by hot and dry weather conditions that affected customer air conditioning load. The average temperature for the three months ended December 31, 2009 was 2.0 degrees Fahrenheit higher than the average temperature experienced for the three months ended December 31, 2008 and there was an average of 2.5 inches less rainfall per month in the three months ended December 2009 than in the three months ended December 2008.

KiloWatt-hour sales for the twelve months ended December 31, 2009 increased 2% to 558.1 million in comparison to 547.7 million for the twelve months ended December 31, 2008. This growth is a result of an increase in residential electricity sales of 5% which was partially offset by a 1% reduction in commercial electricity sales.

Total customers as at December 31, 2009 were 25,461, an increase of 4% compared to 24,518 customers as at December 31, 2008. The Company connected 235 customers for the three month period ended December 31, 2009 comprised of 219 residential customers and 16 commercial customers.

The following tables present sales and customer highlights:

Customers (#)	December 2009	December 2008	Change %
Residential	21,701	20,847	4%
Commercial	3,760	3,671	2%
Total Customers	**25,461**	24,518	**4%**

Sales (thousands kWh)	Twelve Months Ended December 2009	Twelve Months Ended December 2008	Change %
Residential	265,212	251,698	5%
Commercial	286,865	290,288	-1%
Other (street lighting, etc.)	5,985	5,702	5%
Total Sales	**558,062**	**547,688**	**2%**

Operating Revenues

Operating revenues decreased 18%, or $9.6 million, to $43.9 million for the three months ended December 31, 2009 from $53.5 million for the three months ended December 31, 2008. Operating revenues decreased 24%, or $49.2 million, to $158.8 million for the twelve months ended December 31, 2009 from $208.0 million for the twelve months ended December 31, 2008. Operating revenues are lower mainly due to lower fuel factor revenues in 2009 driven by lower fuel costs.

Total operating revenues were as follows:

Revenues (thousands $)	Twelve Months Ended December 2009	Twelve Months Ended December 2008	Change %
Residential	34,143	31,484	8%
Commercial	34,986	34,467	2%
Other (street lighting, etc.)	1,362	1,375	-1%
Electricity Sales Revenues	70,491	67,326	5%
Fuel Factor Revenues	88,318	140,711	-37%
Total Operating Revenues	**158,809**	**208,037**	**-24%**

Electricity sales revenue increased $2.3 million, or 15%, in the three months ended December 31, 2009 to $18.1 million when compared to electricity sales revenues of $15.8 million for the three months ended December 31, 2008. Electricity sales revenue increased $3.2 million, or 5%, in the twelve months ended December 31, 2009 to $70.5 million when compared to electricity sales revenues of $67.3 million for the twelve months ended December 31, 2008. Electricity sales revenues are higher mainly due to an increase in kWh sales and the 2.4% base rate increase implemented in June 2009.

Fuel factor revenues for the three months ended December 31, 2009 totaled $25.7 million, a 32% decrease from the $37.8 million in fuel factor revenues for the three months ended December 31, 2008. Fuel factor revenues for the twelve months ended December 31, 2009 totaled $88.3 million, a 37% decrease from the $140.7 million in fuel factor revenues for the twelve months ended December 31, 2008. Fuel factor revenues decreased due to a significant decline in the cost of fuel (see “Power Generation” section for further details). The average Fuel Cost Charge rate per kWh charged to consumers for the twelve months ended December 31, 2009 was $0.17, a 35% decline from $0.26 per kWh for the twelve months ended December 31, 2008. CUC passes through 100% of fuel costs to consumers on a two-month lag basis.

Operating Expenses

Total operating expenses for the three months ended December 31, 2009 decreased 26% to $36.8 million from $49.6 million for the three months ended December 31, 2008. Total operating expenses for the twelve months ended December 31, 2009 decreased 26% to $134.8 million from $183.2 million for the twelve months ended December 31, 2008. The major contributing factor to the decrease in operating expenses is lower power generation expenses which are comprised predominantly of fuel costs.

Operating expenses were as follows:

($ thousands)	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**	**Change for the Twelve Months**	**% Change for the Twelve Months**
Power generation expenses	**26,789**	38,961	**92,691**	139,991	**(47,300)**	-34%
General and administration	**1,908**	2,671	**9,606**	10,618	**(1,012)**	-10%
Consumer service and promotion	**389**	418	**1,525**	1,834	**(309)**	-17%
Transmission and distribution	**664**	534	**2,660**	2,825	**(165)**	-6%
Depreciation	**4,999**	4,808	**18,786**	18,037	**749**	4%
Maintenance	**2,059**	2,154	**9,142**	9,746	**(604)**	-6%
Amortization of intangible assets	**28**	38	**424**	172	**252**	147%
Total operating expenses	**36,836**	49,584	**134,834**	183,223	**(48,389)**	-26%

Power Generation

Power generation costs for the three months ended December 31, 2009 decreased $12.2 million, or 31%, to $26.8 million when compared to $39.0 million for the three months ended December 31, 2008. Power generation costs for the twelve months ended December 31, 2009 decreased $47.3 million, or 34%, to $92.7 million when compared to $140.0 million for the twelve months ended December 31, 2008. The decrease is mainly due to lower fuel costs partially offset by growth in kWh generated. A new system peak load of 97.5 MW was achieved in August 2009.

Power generation expenses were as follows:

($ thousands)	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**	**Change for the Twelve Months**	**% Change for the Twelve Months**
Fuel costs (net of deferred fuel costs)	**25,422**	37,456	**86,171**	134,992	**(48,821)**	-36%
Lube costs (net of deferred lube costs)	**484**	739	**3,053**	2,040	**1,013**	50%
Other generation expenses	**883**	766	**3,467**	2,959	**508**	17%
Total power generation expenses	**26,789**	38,961	**92,691**	139,991	**(47,300)**	-34%

The Company's average price per imperial gallon ("IG") of fuel for the three months ended December 31, 2009 decreased to $3.10 from $3.22 for the three months ended December 31, 2008. The Company's average price per IG of fuel for the twelve months ended December 31, 2009 decreased to $2.77 from $4.26 for the twelve months ended December 31, 2008.

The Company's average price per IG of lube for the three months ended December 31, 2009 decreased to $10.98 from $16.64 for the three months ended December 31, 2008. The Company's average price per IG of lube for the twelve months ended December 31, 2009 increased to $12.96 from $10.98 for the twelve months ended December 31, 2008.

Diesel fuel and lube oil costs are recovered completely from consumers within the line items of fuel factor revenues and electricity sales. Dusk to dawn light rates include a fuel cost adjustment mechanism and revenues from this rate class are included in electricity sales. The fuel portion of these sales for the three months ended December 31, 2009 totaled $0.2 million and for the twelve months ended December 31, 2009 totaled $1.0 million. The Fuel Tracker Account is comprised of total diesel fuel and lube oil costs to be recovered from consumers.

Other generation expenses for the three months ended December 31, 2009 totaled $0.9 million, a $0.1 million increase when compared to $0.8 million for the three months ended December 31, 2008. Other generation expenses for the twelve months ended December 31, 2009 totaled $3.5 million, a $0.5 million increase when compared to $3.0 million for the twelve months ended December 31, 2008. This difference is primarily due to increased waste oil disposal costs.

General and Administration ("G&A")

G&A expenses for the three months ended December 31, 2009 totaled $1.9 million, compared to $2.7 million for the three months ended December 31, 2008. This 30% decrease is primarily attributable to General Expenses Capitalised ("GEC") adjustments.

G&A expenses for the twelve months ended December 31, 2009 totaled $9.6 million, a decrease of $1.0 million, or 9% from $10.6 million for the three months ended December 31, 2008 due mainly to an increase in GEC. GEC was unevenly applied across the two fiscal years as application became effective with the signing of the Company's T&D Licence in April 2008.

Depreciation

Depreciation expenses for the three months ended December 31, 2009 totalled $5.0 million, an increase of $0.2 million from $4.8 million for the three months ended December 31, 2008. This increase is the result of growth-related additions to fixed assets in prior periods.

Depreciation expenses for the twelve months ended December 31, 2009 totalled $18.8 million, an increase of $0.8 million from $18.0 million for the twelve months ended December 31, 2008. Depreciation expenses increased due to completion of various capital projects including the new 16 MW generating unit commissioned in September 2009.

Maintenance

Maintenance expenses of $2.1 million for the three months ended December 31, 2009 were comparable to maintenance expenses for the three months ended December 31, 2008. Maintenance expenses for the twelve months ended December 31, 2009 totaled $9.1 million, a decrease of $0.6 million from $9.7 million for the twelve months ended December 31, 2008. Maintenance schedules are cyclical in nature and driven by the age of generating units as well as the levels of production.

Amortization

Amortization of intangible assets of $0.03 million for the three months ended December 31, 2009 was comparable to amortization of intangible assets for the three months ended December 31, 2008. Amortization of intangible assets for the twelve months ended December 31, 2009 totalled $0.4 million, an increase of $0.2 million from $0.2 million for the twelve months ended December 31, 2008.

Amortization represents the monthly recognition of the expense associated with software purchases as well as other intangible assets such as the costs associated with the license negotiations. The licence negotiations ceased in 2008 and the costs associated with the negotiations are being amortized over 20 years on a straight-line basis.

Finance Charges

Finance charges for the three months ended December 31, 2009 totaled $2.0 million, an increase of $0.3 million from $1.7 million for the three months ended December 31, 2008. This increase is attributable to the 2009 $40 million debt financing. Finance charges for the twelve months ended December 31, 2009 totaled $7.1 million, a decrease of $1.5 million from $8.6 million for the twelve months ended December 31, 2008 due to an increase in the amount of finance costs capitalised as Allowance for Funds Used during Construction ("AFUDC").

The Company's policy prior to the license signing was to capitalise interest on all significant construction projects, which is included as a cost in the appropriate capital assets account until the asset is available for service. Interest expense capitalised for the twelve months ended December 31, 2008 was $0.3 million. This methodology ceased in April 2008 as under the T&D Licence there is a provision for an AFUDC. This capitalisation of the 'Financing Cost' is calculated by multiplying the Company's Cost of Capital rate by the average work in progress for each month. The cost of capital rate for fiscal 2009 is 10% as agreed with the ERA in accordance with the T&D Licence and will be reviewed annually. The AFUDC amount for the three months ended December 31, 2009 totaled $1.1 million, a $0.1 million increase when compared to $1.0 million for the three months ended December 31, 2008.

The AFUDC amount for the twelve months ended December 31, 2009 totaled $4.7 million a $2.1 million increase when compared to $2.6 million for the twelve months ended December 31, 2008. The difference is mainly attributable to differing lengths of application of the methodology. During the twelve months ended December 31, 2008 AFUDC was applied for eight of the twelve months.

Other Income

Other income totaled $0.3 million for the three months ended December 31, 2009 a decrease of 40% when compared to $0.5 million for the three months ended December 31, 2008. This reduction is attributable to a decrease in the sale of equipment to other utilities.

Other income totaled $1.3 million for the twelve months ended December 31, 2009 a 19% decrease when compared to $1.6 million for the twelve months ended December 31, 2008. This reduction is mainly attributable to a decrease in the sale of equipment and "manpower contributions" to other utilities. The Company assisted Cayman Brac Power & Light and Fortis Turks & Caicos in 2008 following the aftermaths of Hurricane Paloma & Hurricane Ike respectively.

The Economy

The global economy experienced difficulties in 2009 and the Cayman Islands were not immune to the effect of the recessions being experienced worldwide. The Cayman Islands Government's 2009/2010 Annual Plan and Estimates report provided Government forecasts for 2009 and 2010. The report stated that indicators in the first six months of 2009 show signs of an unprecedented fall in Gross Domestic Product ("GDP") during the year. Growth of GDP slowed to 1.1 percent in 2008 as compared to 4.4 percent in 2007. The modest growth was supported on the demand side by growth in government consumption and capital spending and demand for stay-over tourism services. The GDP growth rate for 2009 was forecasted at negative 5.7 percent. Local inflation was projected at negative 0.1 percent in 2009 as pressures on the local price level were eased by the downward inflation path in the United States ("US"), the main market for goods consumed in the Cayman Islands. Economic growth in the Cayman Islands is expected to worsen in 2009/10 but this is projected to recover in the succeeding two years.

The Cayman Islands have two main industries; the tourism sector and financial services. Government stated in its assumptions that economic recovery among advanced economies is expected to boost consumer confidence and employment in the second half of 2010. The spill over effects on the Cayman Islands is expected to benefit local industries. The report also stated that it was assumed that local property development projects currently in various stages of preparation along with a cruise ship port and a new cargo port would be implemented to boost construction services and other related industries beginning in 2010.

The tourist demographic is largely comprised of visitors from the US. In 2009, 79% of air arrivals to the country were citizens of the US. As such the US economy largely impacts that of the Cayman Islands. There was a 1% increase in air arrivals in the fourth quarter of 2009 when compared to the same period last year, however, overall 2009 air arrivals were down 10% from 2008 air arrivals and cruise arrivals were down 2% from 2008. This decline in arrivals for 2009 was anticipated.

The Company expects that the current global economy will continue to have a negative impact on tourist arrivals to the Cayman Islands. Air arrivals have a direct impact on the Company's sales growth as these visitors are stay-over visitors who occupy the hotels. Cruise arrivals have an indirect impact as they affect the opening hours of the establishments operating for that market. The following table presents statistics for tourist arrivals in the Cayman Islands for the twelve months ending December 31:

Arrivals	2009	2008	2007	2006	2005
By Air	271,958	302,879	291,503	267,258	167,801
By Sea	1,520,372	1,553,053	1,715,666	1,923,597	1,798,999
Total	1,792,330	1,855,932	2,007,169	2,190,855	1,966,800

In 2009 the Foreign & Commonwealth Office (FCO) of the United Kingdom Government, stated that in order for the Cayman Islands to borrow funds, additional revenue measures had to be introduced. The introduction of these revenue measures are expected to have a positive impact on Government's financial situation overall, but there are expected to be some negative repercussions on the local economy.

It is Government's belief that unlike credit difficulties abroad, the retail banking sector in the Cayman Islands will maintain its robust supply of credit to businesses and households. As at December 31, 2009 the Fiduciary Services Division of the Cayman Islands Monetary Authority had supervisory responsibility for 160 active trust licences and 88 active licences under the Companies Management Law (2003 Revision). The Investments and Securities Services Division of the Cayman Islands Monetary Authority had supervisory responsibility for 9,838 funds and the Banking and Trust division had supervisory responsibility for 270 banks. This compares to 161 active trust licences, 79 active Companies licences, 10,291 funds and 279 banks at December 31, 2008. Full mutual fund administrators as at December 31, 2009 increased to 100 from 99 and restricted mutual fund administrators decreased to 42 from 50 when compared to December 31, 2008.

The revenue measures proposed by Government were approved by the FCO. Upon receiving this approval Government proceeded to raise $312 million through a ten-year bond offer launched on the international markets on November 18, 2009. The notes have a coupon of 5.95% per year.

As of June 2009 Moody's rated the Cayman Islands as stable with a rating of Aa3. Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and the probability of a financial loss suffered in the event of default. The rating assigned to the Cayman Islands is the second highest in the Caribbean region.

All data is sourced from the Cayman Islands Government, Cayman Islands Economics & Statistics Office, Cayman Islands Monetary Authority and Cayman Islands Department of Tourism websites; www.gov.ky www.ESO.ky www.cimoney.com.ky and www.caymanislands.ky.

Liquidity and Capital Resources

The following table outlines the summary of cash flow:

($ thousands)	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**	**Change for the Twelve Months**	**% Change for the Twelve Months**
Beginning cash	**4,354**	568	**1,431**	2,121	**(690)**	-33%
Cash provided by/(used in):						
Operating activities	**11,622**	14,277	**42,696**	41,592	**1,104**	3%
Investing activities	**(6,467)**	(10,271)	**(42,665)**	(42,697)	**(32)**	0%
Financing activities	**(4,582)**	(3,143)	**3,465**	415	**3,050**	735%
Ending cash	**4,927**	1,431	**4,927**	1,431	**3,496**	244%

Operating Activities:

Cash flow provided by operations, after working capital adjustments, for the three months ended December 31, 2009, was $11.6 million, a decrease of $2.7 million from $14.3 million for the three months ended December 31, 2008. Cash flow provided by operations, after working capital adjustments, for the twelve months ended December 31, 2009, was $42.7 million, an increase of $1.1 million from $41.6 million for the twelve months ended December 31, 2008. This increase is primarily due to higher 2009 earnings and positive change in non-cash working capital balances.

Investing Activities:

Cash used in investing activities totaled $6.5 million for the three months ended December 31, 2009 a decrease of $3.8 million from $10.3 million for the three months ended December 31, 2008. This decrease is due to a reduction in property, plant and equipment purchases. Cash used in investing activities of $42.7 million for the twelve months ended December 31, 2009 were comparable to cash used in investing activities for the twelve months ended December 31, 2008.

Financing Activities:

Cash used in financing activities totaled $4.6 million for the three months ended December 31, 2009 an increase of $1.5 million from $3.1 million used for the three months ended December 31, 2008. Cash proceeds from financing activities totaled $3.5 million for the twelve months ended December 31, 2009 as compared to $0.4 million from financing activities for the twelve months ended December 31, 2008.

This increase in cash is mainly attributable to long term debt proceeds of $40.0 million net of principal and bank overdraft repayments in 2009 as compared to the $28.2 million in proceeds from a rights offering in 2008. There were 2.5 million Class A shares issued under the rights offering.

Financial Position

The following table is a summary of significant changes to the Company's balance sheet from December 31, 2008 to December 31, 2009:

Significant changes in Balance Sheets between December 31, 2008 and December 31, 2009	**Increase (Decrease) $ millions**	**Explanation**
Cash	3.5	Increase due to cash used in investing activities of $42.8 million, cash provided by operating activities of $42.8 million and cash provided by financing activities of $3.5 million.
Accounts receivable - Trade	(5.3)	Decrease due to lower fuel factor billings as a result of decreasing fuel prices.
Regulatory Assets	3.5	In accordance with the regulation, the fuel tracker account is classified as a regulatory asset. This amount represents fuel costs incurred by the Company that are recoverable from the customer.
Property, Plant and Equipment	23.4	Net increase is comprised of capital expenditures of $42.2 million and depreciation expense of $18.8 million.
Bank Overdraft	(4.2)	Repayment of bank overdraft with funds received from debt issue.
Accounts Payable & Accrued Expenses	1.5	Change mainly attributable to increase in accrued interest.
Long-Term Debt	25.8	Increase due to $40 million debt issue reduced by principal repayments and portions allocated to current debt.
Share Premium	1.6	The Company issued 189,826 shares in 2009 through its share purchase plans.

Capital Resources

The Company's principal activity of generation, transmission and distribution of electricity in Grand Cayman, requires CUC to have ongoing access to capital to build and maintain the electrical system for the community it serves.

To help ensure access to capital, the Company targets a long-term capital structure containing approximately 45 per cent equity, including preference shares, and 55 per cent debt. The Company plans to maintain investment-grade credit ratings.

The Company sets the amount of capital in proportion to risk. The debt to equity ratio is managed through various methods such as the rights offering that occurred in the 2008 transitional period.

Certain of the Company's long-term debt obligations have covenants restricting the issuance of additional debt such that consolidated debt cannot exceed 65 per cent of the Company's consolidated capital structure, as defined by the long-term debt agreements. As at December 31, 2009, the Company was in compliance with all debt covenants.

The Company's capital structure is presented in the following table:

Capital structure	**December 31, 2009** *($ millions)*	**%**	**December 31, 2008** *($ millions)*	**%**
Total debt	200.2	54	174.6	51
Shareholder's equity	171.9	46	170.0	49
Total	**372.1**	**100**	**344.6**	**100**

The Company received $30.0 million of a $40.0 million debt issue in June 2009; the remaining $10.0 million was received in July 2009. The Company also repaid $14.0 million of long term debt in June 2009. As a result of the debt issue, the level of debt in the Company's capital structure increased from 51% at December 31, 2008 to 54% at December 31, 2009.

The Company's credit ratings are as follows:

S&P A/Negative
DBRS A (low)

The S&P rating is in relation to long-term corporate credit and unsecured debt while the DBRS rating relates to senior unsecured debt.

In November 2009 S&P affirmed the Company's 'A' credit rating but revised its outlook from stable to negative. The outlook revision reflects the pressures facing the Cayman Islands economy and S&P's concern that it could create a more difficult operating environment for CUC in the next few years. S&P has stated that if the Cayman economy continues to demonstrate subdued or negative growth the rating could be lowered. Conversely, the outlook could be revised to stable if the economy quickly improves.

Credit Facilities

The Company has $32.9 million of unsecured credit facilities with the Royal Bank of Canada ("RBC") comprised of:

Credit Facilities	**($ millions)**
Corporate Credit Card Line	$0.3
Letters of Credit	$0.6
Operating, Revolving Line of Credit	$7.5
Catastrophe Standby Loan	$7.5
Demand Loan Facility- Interim Funding of Capital Expenditures	$17.0
Total	**$32.9**

Of the total above, $24.0 million was available at December 31, 2009.

Capital Expenditures

Capital expenditures for the three months ended December 31, 2009 were $6.5 million, a $3.8 million, or 37% decrease from $10.3 million in capital expenditures for the three months ended December 31, 2008. Capital expenditures for the year were $42.7 million (2008: $42.8 million), including $19 million for the 2009 generation expansion project.

Off Balance-Sheet Arrangements

Disclosure is required of all off-balance sheet arrangements such as transactions, agreements or contractual arrangements with unconsolidated entities, structured finance entities, special purpose entities or variable interest entities that are reasonably likely to materially affect liquidity of or the availability of, or requirements for, capital resources. The Company has no such off-balance sheet arrangements as at December 31, 2009.

Business Risks

The following is a summary of the Company's significant business risks:

Economic Conditions

The general economic condition of CUC's service area, Grand Cayman, influences electricity sales. Changes in consumer income, employment and housing are all factors in the amount of sales generated. As the Company supplies electricity to all hotels and large properties, its sales are therefore partially based on tourism and related industry fluctuations.

Regulation

The Company operates within a regulated environment. As such the operations of the Company are subject to the normal uncertainties faced by regulated companies. Such uncertainties include approval by the Electricity Regulatory Authority (ERA) of billing rates that allow a reasonable opportunity to recover on a timely basis the estimated costs of providing services, including a fair return on rate base assets. The Company's capital expenditure plan requires regulatory approval. There is no assurance that capital projects perceived as required by the management of the Company will be approved.

Insurance – Terms and Coverage

The Company renewed its insurance policy as at July 1, 2009 for one year under similar terms and coverage as in prior years. Insurance terms and coverage include $100 million in property and machinery breakdown insurance and business interruption insurance per annum with a 24-month indemnity period and a 45-day deductible. All T&D assets outside of 1,000 feet from the boundaries of the main plant and substations are excluded, as the cost of such coverage is not considered economical. There is a single event cap of $100 million. Each "loss occurrence" is subject to a deductible of $0.5 million, except for windstorm (including hurricane) and earth movement for which the deductible is 2% of the value of each location that suffers loss, but subject to a minimum deductible of $1 million and maximum deductible of $4 million for all interests combined.

In addition to this coverage, the company has also purchased an excess layer of an additional $100.0 million limit on property and business interruption (excluding windstorm, earth movement and flood). The Company's insurance policy includes business interruption which covers losses resulting from the necessary interruption of business caused by direct physical loss or damage to CUC's covered property and loss of revenues resulting from damage to customers' property.

Critical Accounting Estimates

The preparation of the Company's financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are based on historical experience, current conditions and various other assumptions believed to be reasonable under the circumstances. Due to changes in facts and circumstances and the inherent uncertainty involved in making estimates, actual results may differ significantly from the current estimates. Estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings in the period in which they become known.

Quarterly Results

The table "Quarterly Results" summarises unaudited quarterly information for each of the four quarters ended March 31, 2009 through December 31, 2009. This information has been obtained from CUC's unaudited interim Financial Statements, which in the opinion of Management, have been prepared in accordance with Canadian GAAP. These operating results are not necessarily indicative of results for any future period and should not be relied upon to predict future performance.

Quarterly results ***($ thousands, except basic and diluted earnings per ordinary share)***	**Operating Revenue**	**Net earnings**	**Income applicable to ordinary shares**	**Earnings per ordinary share**	**Diluted earnings per ordinary share**
December 31, 2009	43,851	5,893	5,528	0.20	0.20
September 30, 2009	44,166	6,644	6,051	0.21	0.21
June 30, 2009	35,703	5,042	4,929	0.18	0.18
March 31, 2009	35,090	2,435	2,322	0.08	0.08

Outlook

The Company has shifted focus from responding to growth to controlling cost in light of the economic situation. Reliability, measured by the Average System Availability Index, was 99.96% which exceeded 2008 results. CUC will strive to maintain this performance through projects such as the Rum Point to Frank Sound transmission line completion and other operational improvements. The Company has submitted a $157 million 2010-2014 capital investment plan for ERA approval.

Balance Sheets
(expressed in thousands of United States Dollars)

Unaudited	**As at December 31, 2009**	**As at December 31, 2008**
Assets		
Current Assets		
Cash and cash equivalents	4,927	1,431
Accounts Receivable	11,571	16,879
Regulatory Assets	21,996	18,493
Inventories	2,702	2,485
Prepayments	2,112	1,914
	43,308	41,202
Property, Plant and Equipment	353,359	329,930
Other Assets	36	41
Intangible Assets	2,843	2,814
Total Assets	**399,546**	**373,987**
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank Overdraft	-	4,158
Accounts Payable and Accrued Expenses	22,510	21,048
Regulatory Liabilities	972	359
Short-Term Debt	8,000	8,000
Current Portion of Long-Term Debt	14,000	14,266
Consumer's Deposits and Advances for Construction	3,963	3,785
	49,445	51,616
Long-Term Debt	178,159	152,377
	227,604	203,993
Shareholders' Equity		
Share Capital	1,933	1,922
Share Premium	73,729	72,092
Contributed Surplus	325	279
Retained Earnings	95,955	95,701
Total Shareholders' Equity	171,942	169,994
Total Liabilities and Shareholders' Equity	**399,546**	**373,987**

Statements of Earnings and Comprehensive Income
(expressed in thousands of United States Dollars, except basic and diluted earnings per ordinary share)

Unaudited	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**
Operating Revenues				
Electricity Sales	18,137	15,768	70,491	67,326
Fuel Factor	25,714	37,763	88,318	140,711
Total Operating Revenues	**43,851**	**53,531**	**158,809**	**208,037**
Operating Expenses				
Power Generation	26,789	38,961	92,691	139,991
General and Administration	1,908	2,671	9,606	10,618
Consumer Service and Promotion	389	418	1,525	1,834
Transmission and Distribution	664	534	2,660	2,825
Depreciation	4,999	4,808	18,786	18,037
Maintenance	2,059	2,154	9,142	9,746
Amortization of Intangible Assets	28	38	424	172
Total Operating Expenses	**36,836**	**49,584**	**134,834**	**183,223**
Operating Income	**7,015**	**3,947**	**23,975**	**24,814**
Other Income/(Expenses):				
Finance Charges	(2,005)	(1,700)	(7,071)	(8,624)
Foreign Exchange Gain	540	553	1,852	1,998
Other Income	343	509	1,257	1,579
Total Net Other (Expenses)/Income	(1,122)	(638)	(3,962)	(5,047)
Earnings and Comprehensive Income for the Period	**5,893**	**3,309**	**20,013**	**19,767**
Preference Dividends Paid- Class B	(365)	(113)	(1,182)	(929)
Earnings on Class A Ordinary Shares	**5,528**	**3,196**	**18,831**	**18,838**
Weighted-Average Number of Class A Ordinary Shares Issued and Fully Paid (in thousands)	28,231	28,022	28,160	26,278
Earnings per Class A Ordinary Share	0.20	0.11	0.67	0.72
Diluted Earnings per Class A Ordinary Share	0.20	0.11	0.67	0.72
Dividends Declared per Class A Ordinary Share	0.165	0.165	0.660	0.660

Statements of Retained Earnings
(expressed in thousands of United States Dollars)

Unaudited	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**
Balance at beginning of period	95,075	97,131	95,701	94,490
Earnings for the period	5,893	3,309	20,013	19,767
Dividends	(5,013)	(4,739)	(19,759)	(18,556)
Balance at end of period	95,955	95,701	95,955	95,701

Statements of Cash Flows
(expressed in thousands of United States Dollars)

Unaudited	**Three Months Ended December 31, 2009**	**Three Months Ended December 31, 2008**	**Twelve Months Ended December 31, 2009**	**Twelve Months Ended December 31, 2008**
Operating Activities				
Earnings for the period	5,893	3,309	20,013	19,767
Items not affecting cash:				
Depreciation	4,999	4,808	18,786	18,037
Amortisation of Intangible Assets	28	38	424	172
Stock-based compensation	12	29	46	29
Loss on disposal of property, plant and equipment	-	-	-	440
	10,932	**8,184**	**39,269**	**38,445**
Net change in non-cash working capital balances related to operations	(724)	692	6,316	2,164
Net Change in Regulatory Deferrals	1,414	5,401	(2,889)	983
Cash flow related to operating activities	**11,622**	**14,277**	**42,696**	**41,592**
Investing Activities				
Proceeds on sale of property, plant and equipment	-	-	-	74
Costs related to intangible assets	(293)	(12)	(451)	(128)
Purchase of property, plant and equipment	(6,174)	(10,259)	(42,214)	(42,643)
Cash flow related to investing activities	**(6,467)**	**(10,271)**	**(42,665)**	**(42,697)**
Financing Activities				
Proceeds from debt financing	-	-	41,500	16,500
Repayment of debt	-	-	(15,766)	(27,020)
Increase/(Decrease) in bank overdraft	-	1,496	(4,158)	107
Dividends paid	(5,013)	(4,739)	(19,759)	(18,556)
Net proceeds from share issues	431	100	1,648	29,384
Cash flow related to financing activities	**(4,582)**	**(3,143)**	**3,465**	**415**
Increase/(Decrease) in net cash	573	863	3,496	(690)
Cash and cash equivalent - Beginning of period	4,354	568	1,431	2,121
Cash and cash equivalent - End of period	**4,927**	**1,431**	**4,927**	**1,431**