



Caribbean Utilities Company, Ltd. announces Rights Offering

CARIBBEAN UTILITIES COMPANY, LTD. CLASS A ORDINARY SHARES ARE LISTED FOR TRADING IN UNITED STATES FUNDS ON THE TORONTO STOCK EXCHANGE.

NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

GRAND CAYMAN, Cayman Islands, March 16, 2015 /CNW/ - Caribbean Utilities Company, Ltd. (TSX: CUP.U) ("CUC" or "the Company") announced today that it is commencing a rights offering (the "Offering"). Pursuant to the Offering, the Company will be issuing rights ("Rights") to eligible holders of record ("Shareholders") of outstanding Class A Ordinary Shares of the Company ("Class A Ordinary Shares") at the close of business on March 27, 2015 (the "Record Date") to subscribe for additional Class A Ordinary Shares on the terms set forth in a rights offering circular (the "Circular") to be mailed by the Company to Shareholders. Each Shareholder will receive one Right for each Class A Ordinary Share held on the Record Date. Each ten (10) Rights entitle the holder to acquire one Class A Ordinary Share of the Company upon payment of the subscription price of US\$10.77 per share prior to the expiration of the Rights at 4:00 pm (Toronto time) on April 30, 2015 (the "Expiration Date") and satisfaction of the other requirements for exercise of the Rights set forth in the Circular. Shareholders who exercise all of their Rights will also be entitled to acquire additional Class A Ordinary Shares, if any, which are not subscribed for by other holders of Rights pursuant to an additional subscription privilege, the terms of which are described in the Circular.

In October 2014, CUC won a generation bid conducted by the Cayman Islands Electricity Regulatory Authority and was awarded the right to build an additional 39.7 megaWatts ("MW") of generation capacity (the "Generation Expansion Project"). The approximate cost of the Generation Expansion Project is US\$85 million. In November 2014, CUC closed on a US\$50 million private placement to provide initial funding for the Generation Expansion Project. Gross proceeds of the Offering will be approximately US\$31 million. The Company intends to use the proceeds of the Offering (after payment of the expenses of the Offering) to finance the remaining portion of the development of its new 39.7 MW diesel power plant and other on-going capital expenditures.

The Circular will be available at the Canadian Securities Administrators' SEDAR website at [www.sedar.com](http://www.sedar.com). It is expected that the Circular and certificates representing the Rights will be mailed to registered Eligible Shareholders, as that term is defined in the Circular, on or about April 7, 2015. Shareholders that hold their Class A Ordinary Shares indirectly, including through a broker, CDS Clearing and Depository Services Inc. ("CDS") or a participant in the CDS

**Caribbean Utilities Company, Ltd.**

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system should contact the broker, CDS or the CDS participant to determine how Rights may be exercised.

Fortis Energy (Bermuda) Ltd. (“FEBL”), which is the Company’s largest shareholder, has entered into a stand-by agreement with the Company pursuant to which FEBL has agreed to purchase all Class A Ordinary Shares issuable on the exercise of Rights which are not acquired by other holders of Rights or pursuant to the additional subscription privilege. FEBL is a wholly-owned subsidiary of Fortis Inc. of St. John’s, Newfoundland and Labrador, Canada.

Except as set forth in the Circular, the Rights and underlying Class A Ordinary Shares are not being offered to, and the Rights may not be exercised by, persons who are residents of any jurisdiction other than the Cayman Islands, the Provinces of Canada and the United States (provided such U.S. person certifies that he or she is an “Approved U.S. Accredited Investor”, as defined in the Circular). For further details, please refer to the section in the Circular entitled “Ineligible Shareholders”.

CUC President and Chief Executive Officer, Richard Hew stated, “The completion of this offering of Class A Ordinary Shares will strengthen our balance sheet and support capital expenditures necessary to meet continued growth in demand for electricity in Grand Cayman. In particular, it will assist in the financing of the development of a new 39.7 MW diesel power plant, following from the announcement by the Electricity Regulatory Authority on October 3, 2014 that CUC was selected to provide this additional generation capacity subsequent to an open and competitive bid process.” Mr. Hew also noted that the offering of rights to raise equity ensured that existing shareholders had an equal opportunity to participate in acquiring additional shares.

The Rights will be listed on the TSX under the trading symbol “CUP.RT.U” and will be posted for trading on the TSX until 12:00 noon (Toronto Time) on the Expiration Date. The TSX has approved the listing of the Class A Ordinary Shares issuable upon the exercise of the Rights subject to the Company fulfilling all of the requirements of the TSX.

The Rights and underlying Class A Ordinary Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended. This press release does not constitute an offer of these securities to any person within the United States of America, except persons who certify to the Company that they are Accredited Investors as described in the Circular, and subscriptions will not be accepted from any other person within the United States of America.

CUC provides electricity to Grand Cayman, Cayman Islands, under a non-exclusive 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](http://www.cuc-cayman.com).



*Caribbean Utilities Company, Ltd. ("CUC" or "the Company"), 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 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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CO: Caribbean Utilities Company, Ltd.