FOR IMMEDIATE RELEASE:

St. John's, NL (November 1, 2012):

FORTIS INC. INCREASES PREFERENCE SHARE OFFERING TO $200 MILLION

Not for distribution to U.S. news wire services or dissemination in the United States.

Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS) announced today that, in connection with its recently announced public offering of 6,000,000 Cumulative Redeemable First Preference Shares, Series J (the "Preference Shares"), the syndicate of underwriters led by BMO Capital Markets and RBC Capital Markets has exercised its option (the "Underwriters' Option") to purchase an additional 2,000,000 Preference Shares at a price of $25.00 per Preference Share.

Fortis will receive additional gross proceeds of $50 million from the exercise of the Underwriters' Option, increasing the aggregate gross proceeds of the offering to $200 million.

Holders of Preference Shares will be entitled to receive a cumulative quarterly fixed dividend of 4.75% per annum, if, as and when declared by the Board of Directors of the Corporation payable (other than the first dividend payment) in equal quarterly instalments on the first day of March, June, September and December of each year. Assuming a closing date of November 13, 2012, the first dividend will be payable on March 1, 2013 in the amount of $0.35137 per Preference Share.

The Preference Shares are not redeemable prior to December 1, 2017. On or after December 1, 2017, the Corporation may, on not less than 30 nor more than 60 days' notice, redeem the Preference Shares in whole or in part, at the Corporation's option, by the payment in cash of $26.00 per Preference Share if redeemed prior to December 1, 2018, at $25.75 per Preference Share if redeemed on or after December 1, 2018 but prior to December 1, 2019, at $25.50 if redeemed on or after December 1, 2019 but prior to December 1, 2020, at $25.25 if redeemed on or after December 1, 2020 but prior to December 1, 2021 and at $25.00 per Preference Share if redeemed on or after December 1, 2021, in each case together with all declared and unpaid dividends up to but excluding the date fixed for redemption.

The offering is subject to the receipt of all necessary regulatory and stock exchange approvals. The net proceeds from the issue will be used towards repaying borrowings under the Corporation's $1 billion committed corporate credit facility, which borrowings were primarily incurred to support the construction of the non-regulated Waneta Expansion hydroelectric generating facility and for other general corporate purposes.

The Preference Shares will be offered in all provinces of Canada by way of a supplement to the Corporation's short form base shelf prospectus dated May 10, 2012. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any offer, solicitation or sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About Fortis

Fortis is the largest investor-owned distribution utility in Canada, with total assets of more than $14 billion and fiscal 2011 revenue totaling approximately $3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upstate New York. It also owns hotels across Canada and commercial office and retail space primarily in Atlantic Canada. The Corporation's common shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at www.fortisinc.com or www.sedar.com.

Fortis includes forward-looking information in this material within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding the Corporation's future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information, including the expectation that the offering will close on November 13, 2012 and the expectation that the net proceeds of the offering will be used to repay borrowings as described, reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. Although Fortis believes that the forward-looking statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect the Corporation, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis and the "Risk Factors" section of the Annual Information Form. Except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

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