



FOR IMMEDIATE RELEASE:

St. John's, NL (January 9, 2014):

FORTIS INC. ANNOUNCES CLOSING OF \$1.8 BILLION OFFERING OF CONVERTIBLE DEBENTURES REPRESENTED BY INSTALMENT RECEIPTS

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

Fortis Inc. (TSX:FTS) ("Fortis" or the "Corporation") announced today that its direct wholly owned subsidiary, FortisUS Holdings Nova Scotia Limited (the "Selling Debentureholder"), has completed the sale (the "Offering") of \$1,800,000,000 aggregate principal amount of 4.00% convertible unsecured subordinated debentures of the Corporation represented by instalment receipts (the "Convertible Debentures").

The Offering includes a bought deal offering (the "Public Offering") of \$1,594,000,000 aggregate principal amount of Convertible Debentures underwritten by a syndicate of underwriters co-led by Scotiabank, RBC Capital Markets, TD Securities Inc. and CIBC, and including BMO Capital Markets, National Bank Financial Inc. and Desjardins Securities Inc. The Offering also includes the sale of \$206,000,000 aggregate principal amount of Convertible Debentures to certain institutional investors on a private placement basis.

In connection with the Public Offering, the underwriters have been granted an over-allotment option to purchase up to an additional \$239,100,000 aggregate principal amount of Convertible Debentures, at the offering price, within 30 days from the date of closing solely to cover over-allotments, if any.

The Convertible Debentures were sold on an instalment basis at a price of \$1,000 per Convertible Debenture, of which \$333 was paid on closing and the remaining \$667 is payable on a date ("Final Instalment Date") to be fixed following satisfaction of all conditions precedent to the closing of the Corporation's recently announced acquisition of UNS Energy Corporation (NYSE:UNS). Prior to the Final Instalment Date, the Convertible Debentures will be represented by instalment receipts and will be posted for trading on the Toronto Stock Exchange under the symbol "FTS.IR".

Fortis is the largest investor-owned gas and electric distribution utility in Canada, with total assets of approximately \$17,600,000,000, as at September 30, 2013, and fiscal 2012 revenue (which excludes the June 2013 acquisition of CH Energy Group) totalling approximately \$3,700,000,000. Its regulated utilities serve more than 2,400,000 customers across Canada and in New York State and the Caribbean. Fortis owns non-regulated hydroelectric generation assets

in Canada, Belize and Upstate New York. The Corporation's non-utility investments are comprised of hotels and commercial real estate in Canada and petroleum supply operations in the Mid-Atlantic Region of the United States.

Fortis 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.

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Fortis includes forward-looking statements in media releases which reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" and similar expressions have been used to identify the forward-looking statements, which, without limitation, include those statements related to the acquisition of UNS Energy Corporation, the conditions precedent to the closing of such acquisition and the timing of payment of the final instalment amount. These statements reflect management's current beliefs and are based on information currently available to the Corporation's management. Forward-looking statements involve significant risk, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Such risk factors or assumptions include, but are not limited to, regulation, energy prices, general economic conditions, weather, derivatives and hedging, capital resources, loss of service area, licences and permits, environment, insurance, labour relations, human resources and liquidity risk. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities. The Corporation 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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