



**FOR IMMEDIATE RELEASE**

St. John's, NL - August 18, 2008

**FORTIS INC. ACQUIRES ADDITIONAL SHARES OF CARIBBEAN UTILITIES**

Fortis Inc. ("Fortis") (TSX:FTS) announced today that it has acquired, through its wholly owned subsidiary Fortis Energy (Bermuda) Ltd. ("FEBL"), an aggregate of 2,156,148 Class A Ordinary Shares (the "CUC Shares") of Caribbean Utilities Company, Ltd. ("CUC") (TSX:CUP.U) at a price of US\$11.09 per share. The 2,156,148 CUC Shares purchased by Fortis were purchased in two related transactions. 1,356,551 CUC Shares were acquired pursuant to FEBL's proportionate right to subscribe for CUC Shares under the rights offering by CUC which expired on August 15, 2008 (the "Rights Offering"). The remaining 799,597 CUC Shares were acquired pursuant to the standby purchase commitment of FEBL made in connection with the Rights Offering.

As a result of these acquisitions of CUC Shares under the Rights Offering, Fortis now indirectly owns 15,721,659 CUC Shares, increasing its ownership position from approximately 54% to approximately 56% of the outstanding CUC Shares.

The purpose of the acquisition of the CUC Shares by Fortis under the Rights Offering was to assist CUC with raising the capital required to fund and grow its operations. Fortis will review its holdings in CUC Shares from time to time and may acquire additional securities or dispose of securities of CUC, in either case, in the open market, by private agreement or otherwise, depending on numerous factors, including without limitation, the availability of securities of CUC, economic conditions, market conditions and other business and investment opportunities available to Fortis.

Fortis is the largest investor-owned distribution utility in Canada. With total assets of approximately \$10.5 billion and annual revenue of more than \$2.7 billion, the Corporation serves almost 2,000,000 gas and electricity customers. Its regulated holdings include a natural gas utility in British Columbia and electric distribution utilities in five Canadian provinces and three Caribbean countries. Fortis owns non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate in Canada. Fortis shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information relating to Fortis and its holdings can be accessed at [www.fortisinc.com](http://www.fortisinc.com) or [www.sedar.com](http://www.sedar.com).

*Fortis includes forward-looking information in this media release 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 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", "schedules", "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 reflects management's current beliefs and is based on information currently available to the Corporation's management. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results or events to differ from current expectations include, but are not limited to: regulation; integration of Terasen Inc. and management of expanded operations; operating and maintenance risks; natural gas prices and supply; economic conditions; weather and seasonality; interest rates; changes in tax legislation; derivative financial instruments and hedging; risks related to Terasen Gas (Vancouver Island) Inc.; capital resources; environment; insurance; licences and permits; energy prices and the cessation of the Niagara Exchange Agreement; loss of service area; First Nations Lands; counterparty risk; labour relations; human resources; and liquidity risk. For additional information with respect to the Corporation's risk factors, 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 Management Discussion and Analysis for the three-months ended June 30, 2008 and for the year ended December 31, 2007.*

*All forward-looking information in this media release is qualified in its entirety by the above cautionary statements and, 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.*

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

*For more information or to receive a copy of the Early Warning Report relating to this media release, please contact:*

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