



FOR IMMEDIATE RELEASE:

St. John's, NL (July 18, 2013):

**FORTIS INC. CLOSES \$250,000,000 OFFERING OF
SERIES K FIRST PREFERENCE SHARES AND ANNOUNCES DIVIDEND**

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 it has closed its public offering (the "Offering") of Cumulative Redeemable Fixed Rate Reset First Preference Shares, Series K ("Series K First Preference Shares") underwritten by a syndicate of underwriters led by TD Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. Fortis issued 10,000,000 Series K First Preference Shares at a price of \$25.00 per share for aggregate gross proceeds to the Corporation of \$250,000,000.

The net proceeds of the offering will be used to repay a portion of borrowings under the Corporation's \$1 billion committed corporate credit facility, including amounts borrowed in connection with the redemption of the Corporation's First Preference Shares, Series C, the construction of the Waneta Expansion and equity injections into certain of the Corporation's subsidiaries, and for general corporate purposes.

The Series K First Preference Shares were offered by way of prospectus supplement under the short form base shelf prospectus of Fortis dated May 10, 2012 and will commence trading today on the Toronto Stock Exchange under the symbol FTS.PR.K.

The Board of Directors of Fortis has declared a dividend of \$0.1233 per share on the Series K First Preference Shares, payable on September 1, 2013 to the holders of record at the close of business on August 16, 2013. Fortis has designated the preference share dividend as an eligible dividend for federal and provincial dividend tax credit purposes.

Fortis is the largest investor-owned gas and electric distribution utility in Canada. Its regulated utilities account for 90 per cent of total assets and serve more than 2.4 million 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. Additional information about the Corporation can be accessed at www.fortisinc.com or 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 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 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 regularly with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis. 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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