



**FOR IMMEDIATE RELEASE:**

ST. JOHN'S, NL (May 23, 2008):

**FORTIS INC. CLOSES \$200,000,000 SERIES G FIRST PREFERENCE SHARE ISSUE**

*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 Five-Year Fixed Rate Reset First Preference Shares, Series G (the "Series G First Preference Shares") underwritten by a syndicate of underwriters led by Scotia Capital Inc. and CIBC World Markets Inc. Fortis issued 8,000,000 Series G First Preference Shares at a price of \$25.00 per share for gross proceeds to the Corporation of \$200,000,000. The underwriters also have the option to purchase up to an additional 1,200,000 Series G First Preference Shares to cover over-allotments, if any, and for market stabilization purposes, during the 30 days following the closing of the Offering (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, the Offering will result in gross proceeds to the Corporation of \$230,000,000.

A portion of the net proceeds of the Offering will be used to repay the total amount outstanding of approximately \$170 million under the Corporation's committed credit facility, which indebtedness was incurred to fund a portion of the purchase price for the acquisition of Terasen Inc. on May 17, 2007 and the purchase price for the acquisition of the Delta Regina hotel on August 1, 2007. The balance will be used for general corporate purposes.

The Series G First Preference Shares will commence trading on the Toronto Stock Exchange on May 23, 2008 under the symbol FTS.PR.G.

Fortis is the largest investor-owned distribution utility in Canada. With total assets exceeding \$10 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 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 March 31, 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.*

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