ATCO

2018 INVESTOR DAY PRESENTATION

SEPTEMBER 14, 2018

LEGAL DISCLAIMER

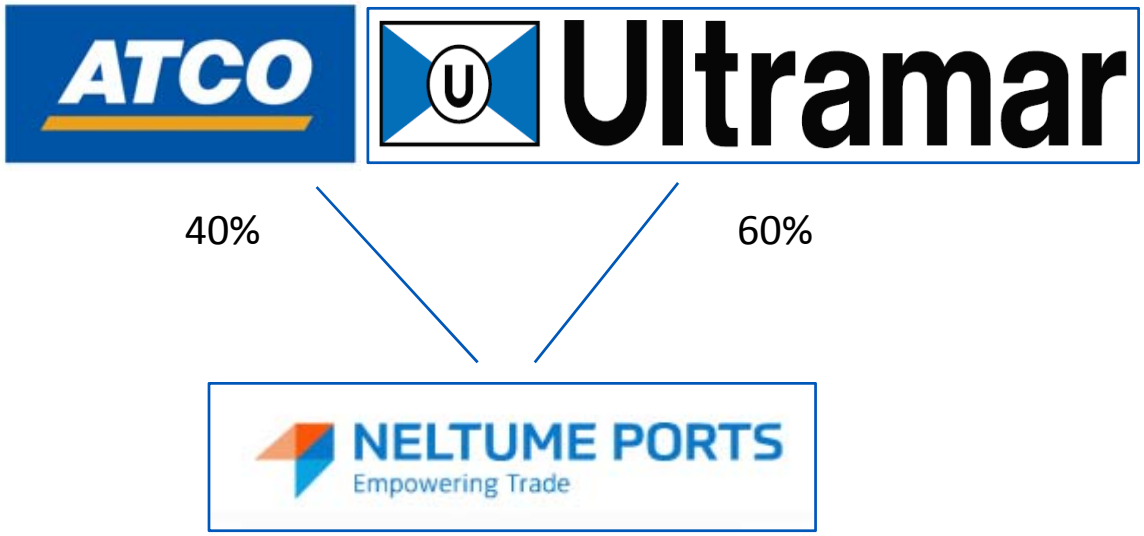
Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited and information provided in this presentation may be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results differ materially from those currently anticipated. ATCO Ltd. and Canadian Utilities Limited disclaim any intention or obligation to update or revise such statements. Due to the nature of the Corporation's operations, quarterly revenues and earnings are not necessarily indicative of annual results.

ATCO

NANCY C. SOUTHERN
CHAIR & CHIEF EXECUTIVE OFFICER

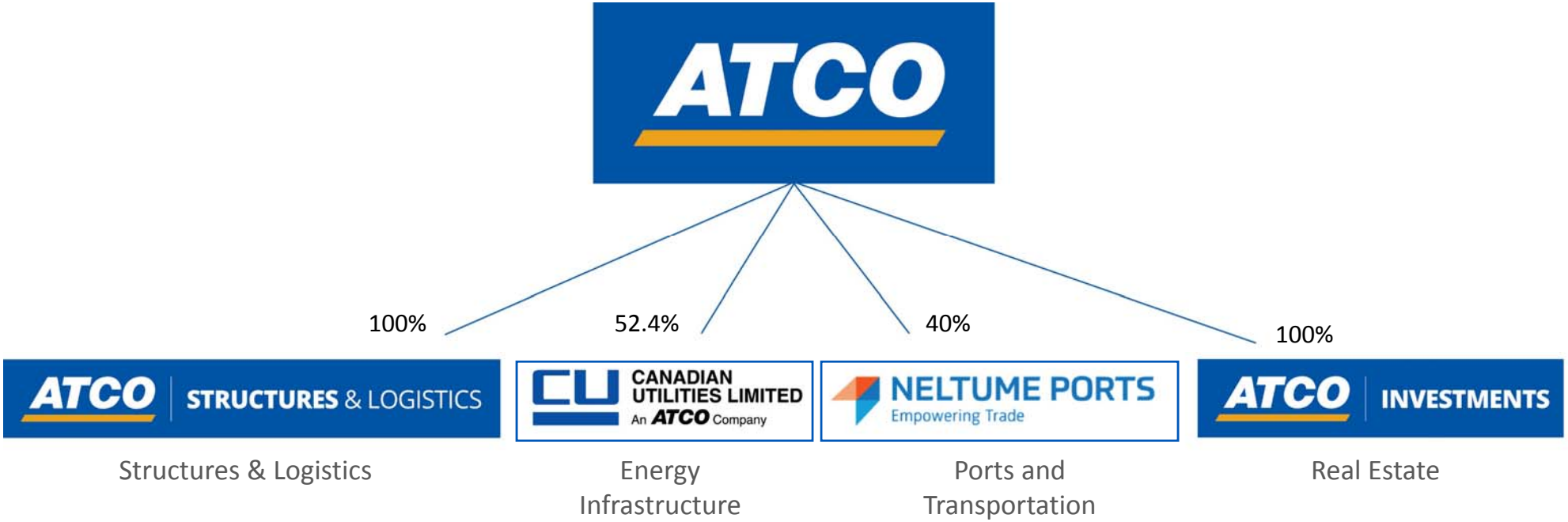
INVESTMENT SUMMARY

ATCO is purchasing a 40 per cent interest in Neltume Ports for approximately $450M CAD.



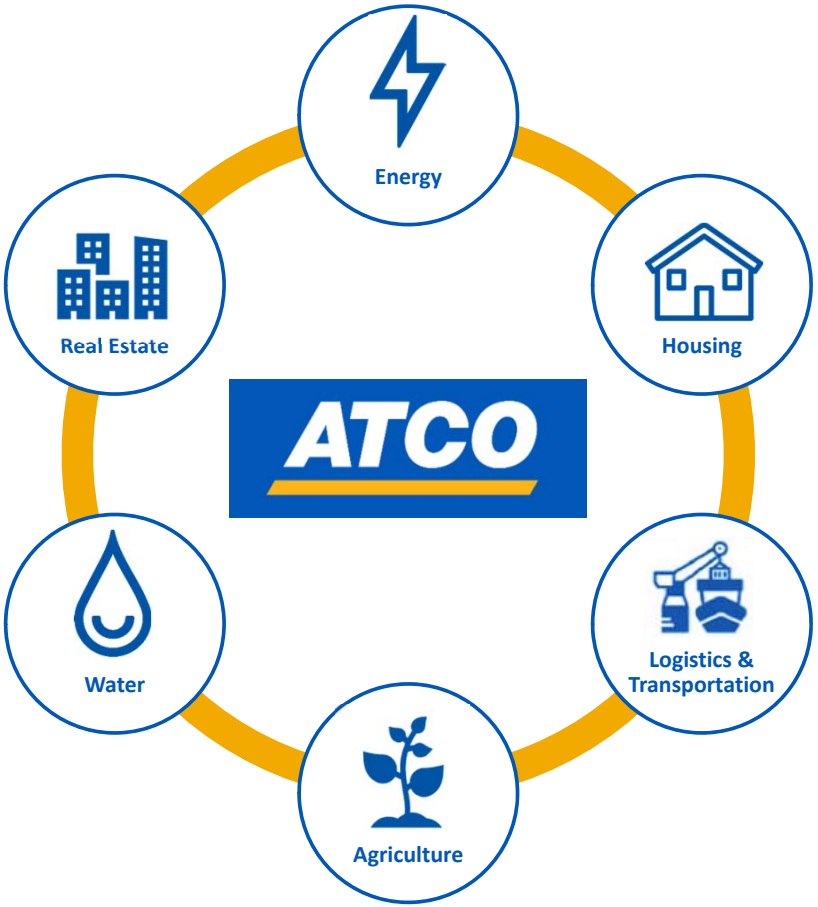
- **16 port operations & 3 stevedoring businesses**
- **In 4 countries: Chile, Uruguay, Argentina and Brazil**

ORGANIZATIONAL STRUCTURE



The Neltume investment represents a fourth pillar in ATCO's global portfolio.

ATCO FOCUS: GLOBAL ESSENTIAL SERVICES



STRATEGIC RATIONALE

Investment with a trusted long-term partner with shared values

Portfolio, industry, and geographic diversification

Exposure to growing global trade and transportation

Strong macro factors and economic tailwinds

ATCO

SIEGFRIED W. KIEFER
PRESIDENT & CHIEF STRATEGY OFFICER

NELTUME PORTS OVERVIEW

- **Neltume Ports is a leading port operator and developer with a diversified range of terminals across South America and is headquartered in Santiago, Chile**
  - 16 port terminals in 4 countries: Chile, Uruguay, Argentina and Brazil
  - 2 stevedoring companies in Chile, 1 in Uruguay
  - Approximately 3,900 employees
  - Approximately 51 M of tonnes transported annually.
- **Diversified volumes – minerals, consumer goods, pulps, agriculture, etc.**
- **Diversified cargo types – containers, bulk, break-bulk**

Mineral Focused Ports

A Puerto Angamos
Terminal Graneles del Norte
Puerto Mejillones
Terminal Mejillones

Key Container Ports (Chile)

B Terminal Pacifico Sur
C Terminal Puerto Coquimbo
D Terminal Puerto Arica
E Puerto Coronel

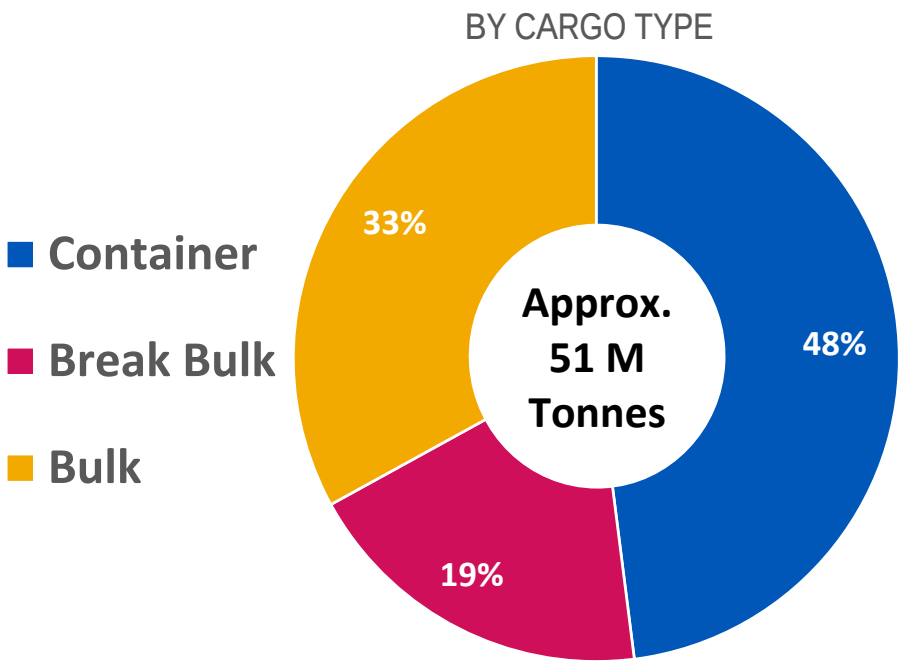
Container & Agri Bulk (Uruguay)

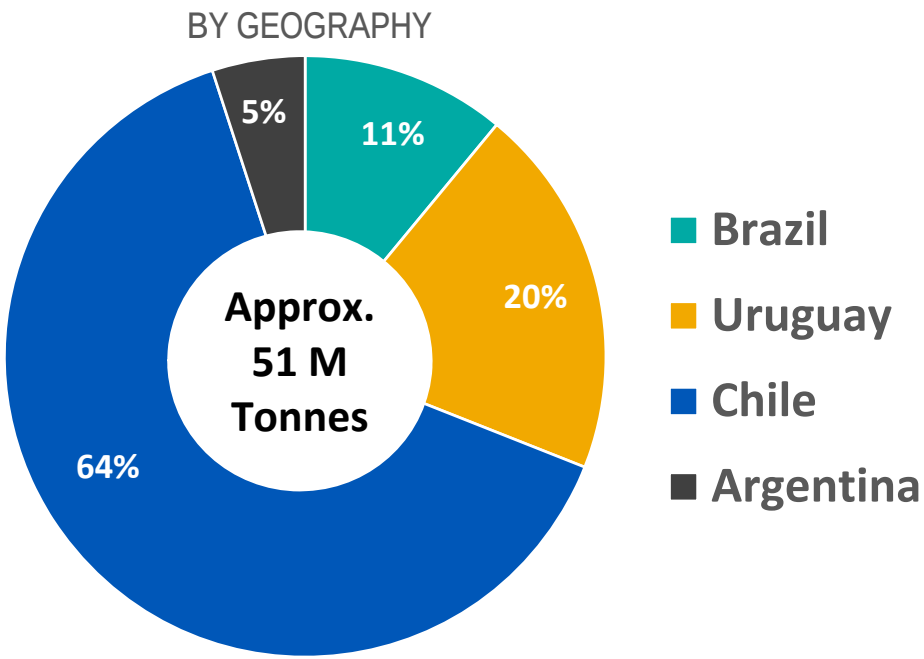
F Montecon
Terminales Graneleras Uruguayas
Ontur

Other/Multipurpose

G Terminal Puerto Rosario- Argentina
H Sagres- Four Ports (TLRG, TLP, TPP, TLG)- Brazil

NELTUME PORTS OPERATIONS

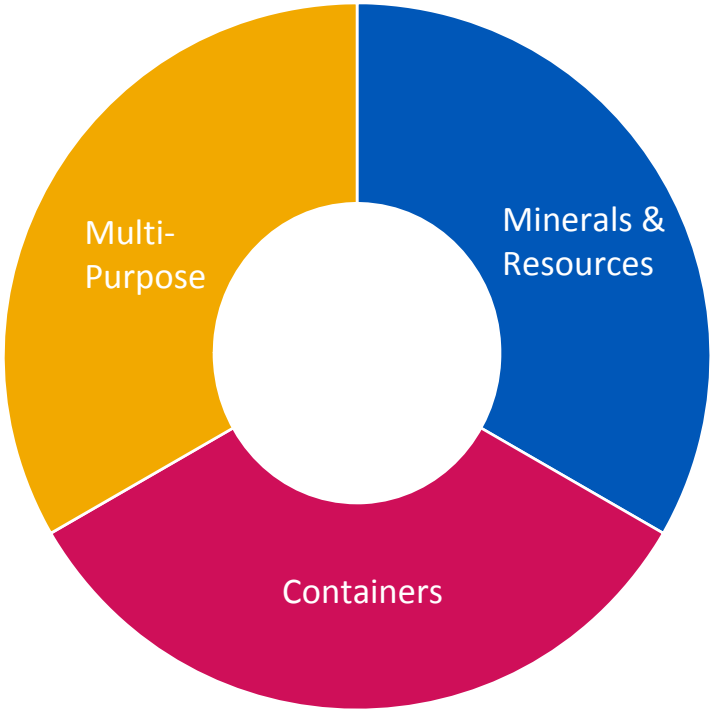




*Based on 100% of volumes of ports where Neltume Ports has an ownership stake

NELTUME PORTS DIVERSIFIED EARNINGS

APPROXIMATE EARNINGS MIX



PORT OVERVIEW

PORT	PERCENT OWNERSHIP	COUNTRY	TERMINAL TYPE	KEY CARGO
Terminal Puerto Arica	35%	CHL	Container	Mixed
Terminal Puerto Angamos	40%	CHL	Multi	Copper
Terminal Graneles del Norte	40%	CHL	Dry Bulk	Coal
Puerto Mejillones	50%	CHL	Dry Bulk	Coal/Copper
Terminal Mejillones	50%	CHL	Liquid Bulk	Sulfuric Acid
Terminal Puerto Coquimbo	70%	CHL	Multi	Copper
Terminal Pacifico Sur	60%	CHL	Container	Fruit/Wine
Puerto Coronel	17%	CHL	Multi	Pulp/Wood
Terminal Puerto Rosario	50%	ARG	Multi	Roll-on Roll-off
Montecon	100%	URY	Container	Mixed
Terminales Graneleras Uruguayas	33%	URY	Dry Bulk	Soy Beans
Terminal Ontur	20%	URY	Multi	Agri./Pulp
Sagres - Four Ports (TLRG, TLP, TPP, TLG)	86%	BRA	Multi	Pulp/Wood

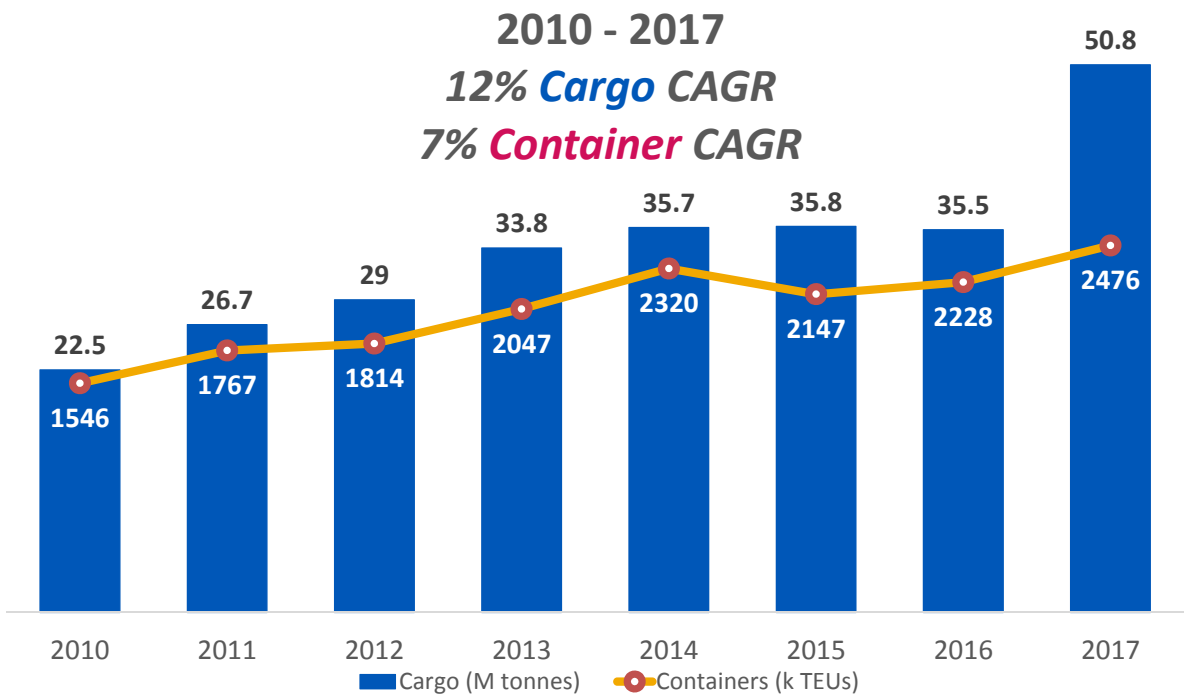
Puerto Angamos (PANG)

Montecon (MON)

Terminal Pacifico Sur (TPS)

STRONG VOLUME GROWTH

Consistent and growing volumes support stability of cash flows



*Based on 100% of volumes of ports where Neltume Ports has an ownership stake

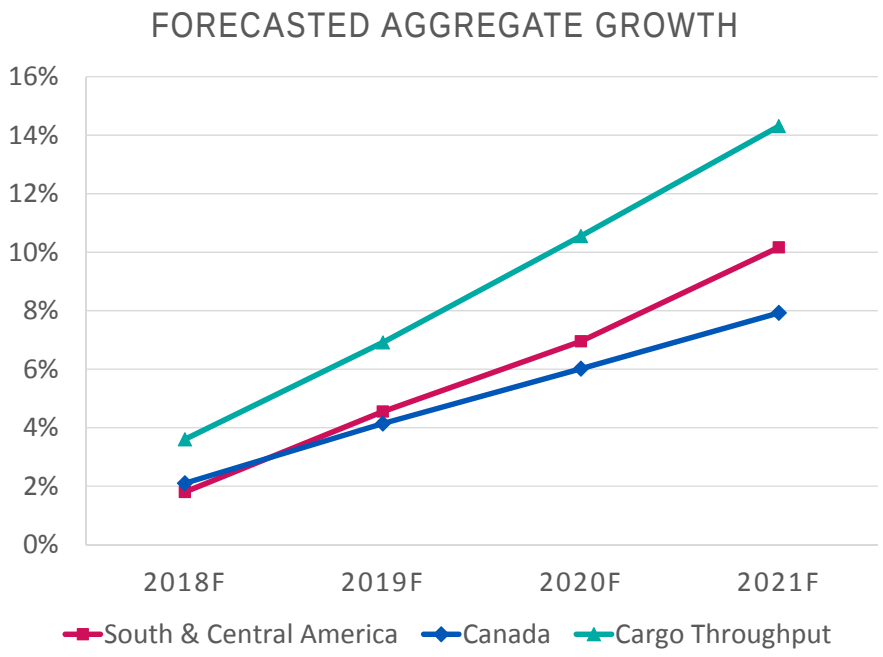
GROWTH DRIVEN BY MACROECONOMIC TAILWINDS

Strong macro economic growth indicators:

- Latin American GDP to outpace Canadian GDP growth
- Chile has been one of Latin America's fastest-growing economies averaging 3.5% GDP growth over the last 8 years.
- Global trends in electrification and energy will drive continued demand to copper and other energy products.

Correlation between GDP and cargo throughput growth:

- In South America, independent studies have shown that container port throughput grows by a multiple of 1.6x - 3x GDP growth.
- Neltume Ports has several container ports whose level of activity is highly correlated with GDP and well positioned to capture the continued growth in the region.

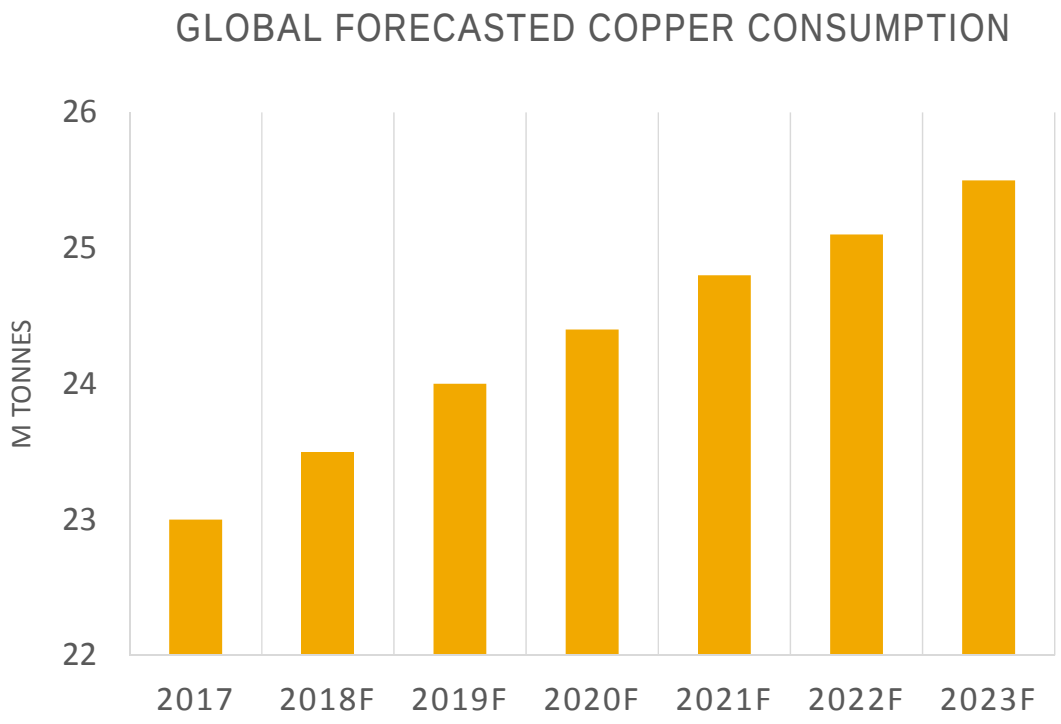


Source: IMF World Economic Outlook, April 2018
Cargo Throughout Forecast: Drewry Economic Intelligence Research; Independent third party studies

GROWTH DUE TO RISING COPPER GLOBAL DEMAND

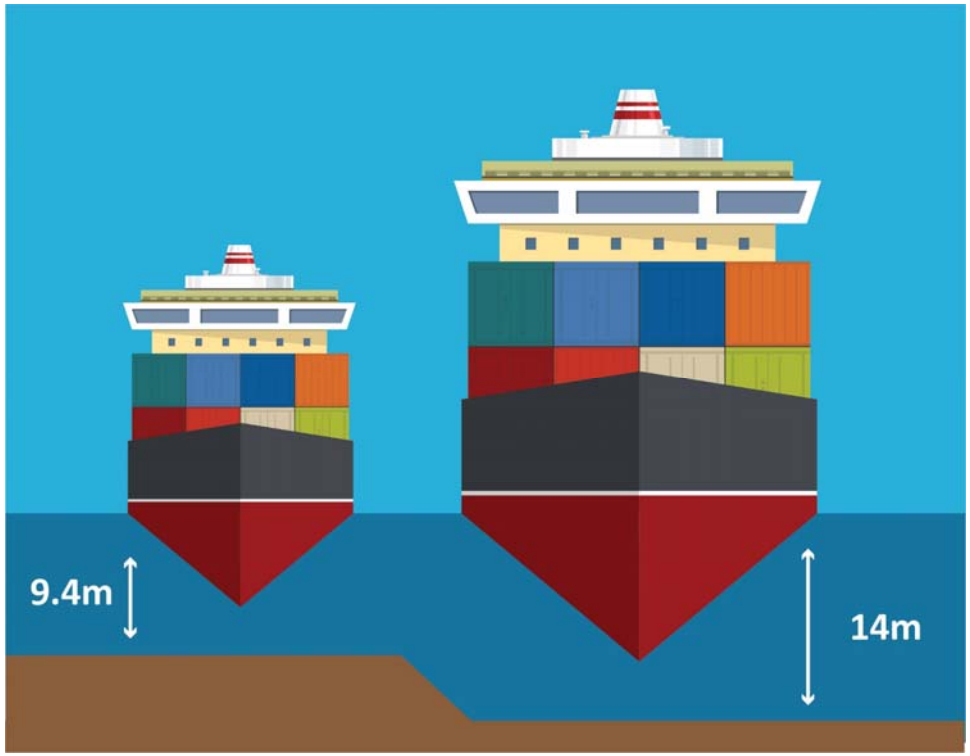
Exposure to Growing Copper Global Demand:

- Chile represents approximately 28% of global copper production and owns the largest copper reserves in the world.
- Copper supply deficit starting in 2020 is expected to spur new copper mine investment. The Wood Mckenzie Group Estimates that global copper demand will grow by nearly 2% annually.
- Several of Neltume's ports (Angamos, Mejillones and Coquimbo) are focused on the Chilean copper industry and well positioned to capture this future export activity as they have some of the lowest average cash costs in the world.



BROWNFIELD GROWTH POTENTIAL

- A portion of ATCO's investment may be used for berth expansions or additions of multi-purpose berths.
- Berth expansions create increased draft that allows terminals to receive bigger ships & larger volumes.
- Berth extensions or adding berths create additional growth potential.



GROWTH BY ACQUISITION AND CONSTRUCTION

Construction of Puerto Mejillones

Awarded port Tender of TPS

Awarded port tender of TPA

Construction of TGN

Partnership TPS/MSC

Acquisition of Rio Estiba and Increased participation in Montecon, Sagres and Ontur via the takeover of Schandy

1995 | 1996 | 2000 | 2003 | 2004 | 2006 | 2010 | 2012 | 2016 | 2017 | 2018

Acquisition of Puerto Coronel

Construction of Puerto Angamos

Acquisition of Montecon

Construction of TPR and Awarded Port Tender of TPC

Increased participation in TGU

ATCO

DENNIS A. DECHAMPLAIN
SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER

NELTUME PORTS INVESTMENT FINANCIAL HIGHLIGHTS

- The Neltume Ports investment is expected to be accretive to earnings per share in the first full year of ownership and thereafter.
- Neltume Ports generated approximately $120 million CAD of EBITDA in 2017.
- ATCO will fund its investment in Neltume Ports with a combination of cash on-hand (approx. $110M) and funds from committed credit facilities. ATCO will later refinance a portion of this initial financing through a hybrid instrument capital markets transaction.
- Funds from ATCO's investment in Neltume Ports will be used by the partnership to finance opportunities for growth.

ATCO

NANCY C. SOUTHERN
CHAIR & CHIEF EXECUTIVE OFFICER

STRUCTURES & LOGISTICS

ATCO MODULAR STRUCTURES

ATCO STRUCTURES & LOGISTICS

ATCO FRONTEC

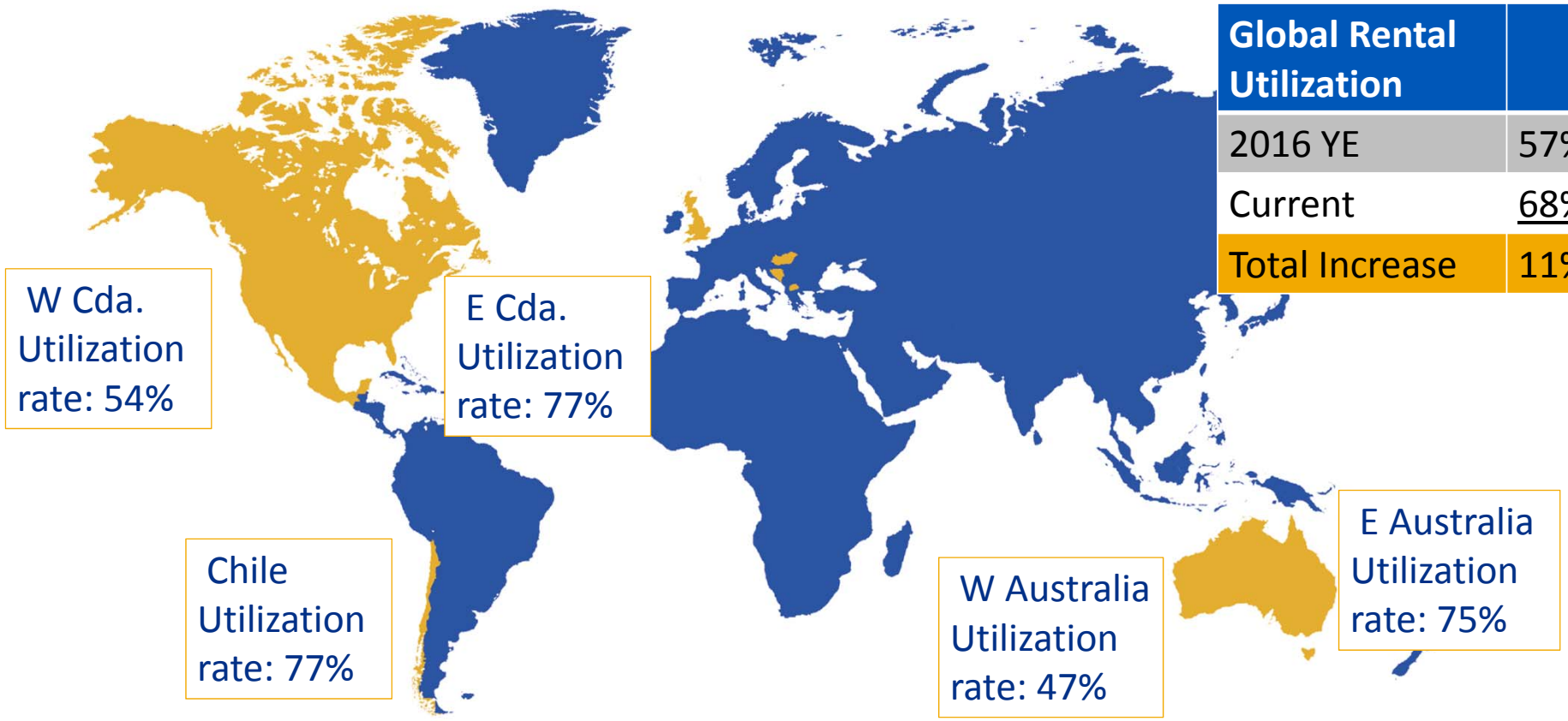
Modular Structures
- Permanent modular camps
- Relocatable modular buildings

Workforce Housing & Space Rentals
- Mobile office trailers

Logistics and Facility O&M Services
- Facility operations
- Maintenance services
- Supply chain management

Lodging & Support Services
- Lodging, catering
- Maintenance
- Waste management

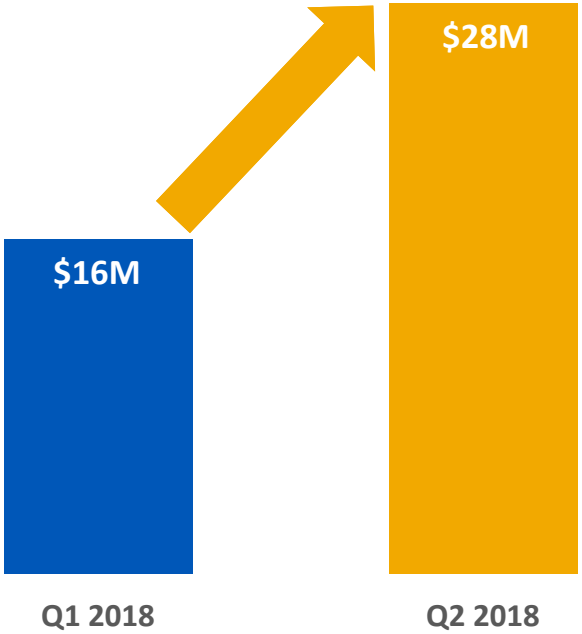
STRUCTURES & LOGISTICS



Global Rental Utilization	
2016 YE	57%
Current	68%
Total Increase	11%

STRUCTURES & LOGISTICS

Diversifying the global customer base into non-traditional modular markets such as public education facilities, high density urban residential housing and correctional facilities



Revenue from Permanent Modular Construction ($Millions)

Melbourne Girls Grammar
Melbourne, Australia

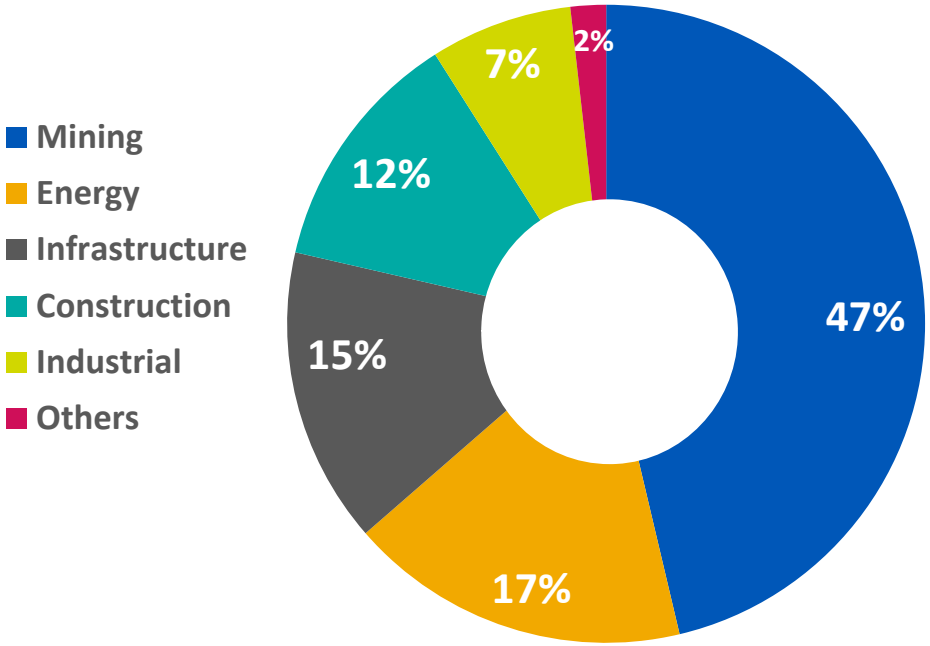
130-student dormitory
Langley, Canada

ATCO SABINCO (ULTRAMAR PARTNERSHIP)

New 100,000 sq. ft. Chilean Manufacturing Facility further cements the business foundation we are re-establishing in South America.

Ranked #3 in Overall Modular Construction vs Main Competitors

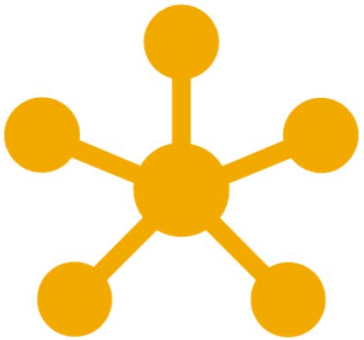
Ranked #2 in Space Rental Market Share vs Main Competitors



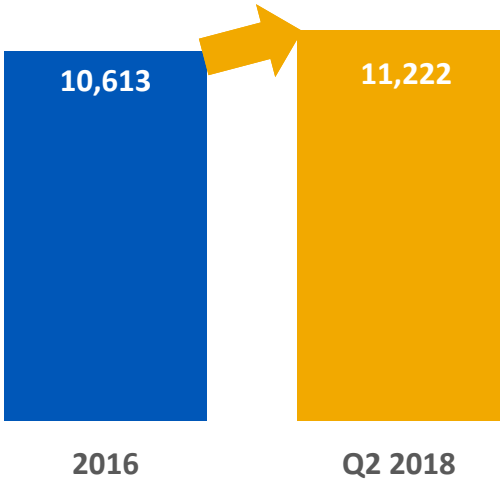
Diversified customer base led by copper mining

STRUCTURES & LOGISTICS KEY HIGHLIGHTS

Diversifying our customer base into new market segments and rebuilding our customer lead list



Lowering operating costs and increasing rental utilization



Total Rental Fleet Utilized

Expanding geographically in new global markets with long-term growth potential

COMMERCIAL REAL ESTATE

- ATCO Investments Ltd. (AIL), a subsidiary of ATCO Ltd., currently owns 16 commercial real estate properties throughout Alberta
  - 417,000 Square footage of saleable or leasable office space
  - 90,000 square footage of saleable or leasable industrial space
  - 431 acres of land
- In Q3 2018, ATCO Investments concluded a $14.5 million transaction for a net gain of approximately $10 million.

Calgary office space

Edmonton industrial space

Ft. McMurray office space

Heartland Industrial land

ATCO

SIEGFRIED W. KIEFER
PRESIDENT & CHIEF STRATEGY OFFICER

CANADIAN UTILITIES LIMITED
An ATCO Company

REGULATED UTILITIES

ELECTRIC TRANSMISSION
$5,227M Rate Base

ELECTRIC DISTRIBUTION
$2,476M Rate Base

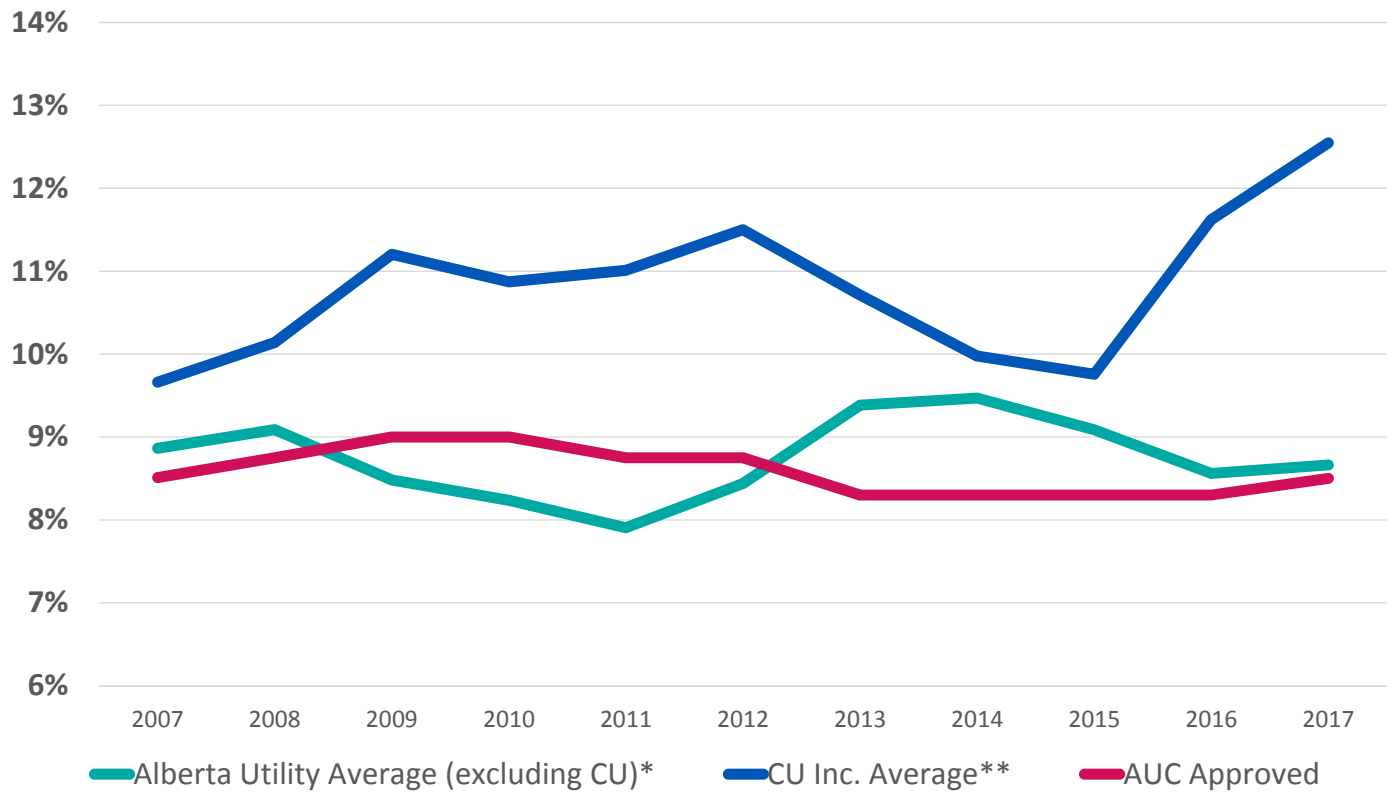
NATURAL GAS DISTRIBUTION
$2,537M Rate Base

NATURAL GAS TRANSMISSION
$1,633M Rate Base

INTERNATIONAL NATURAL GAS DISTRIBUTION
$1,177M Rate Base

CANADIAN UTILITIES LIMITED
An ATCO Company

UTILITIES ACHIEVE TOP TIER RETURNS ON EQUITY



CU Inc. ROE +2.33% on average above AUC approved ROE from 2007-2017

- Alberta Utility average is a simple average and includes: AltaGas, AltaLink, Enmax Distribution, Enmax Transmission, EPCOR Distribution, EPCOR Transmission, and Fortis Alberta.

** CU Inc. average is a simple average and includes: Electric Distribution, Electric Transmission, Natural Gas Distribution, and Natural Gas Transmission. Further details on the individual ROEs can be found in this Appendix.

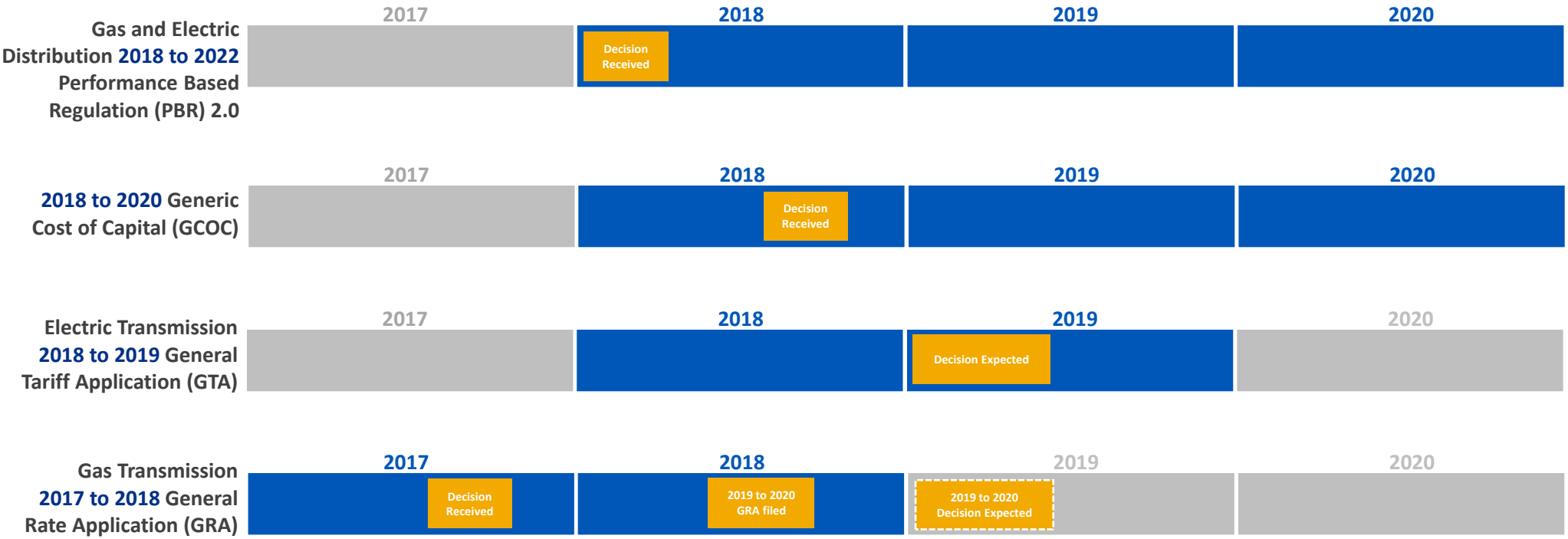
CANADIAN UTILITIES LIMITED
An ATCO Company

PBR 2.0 HIGHLIGHTS

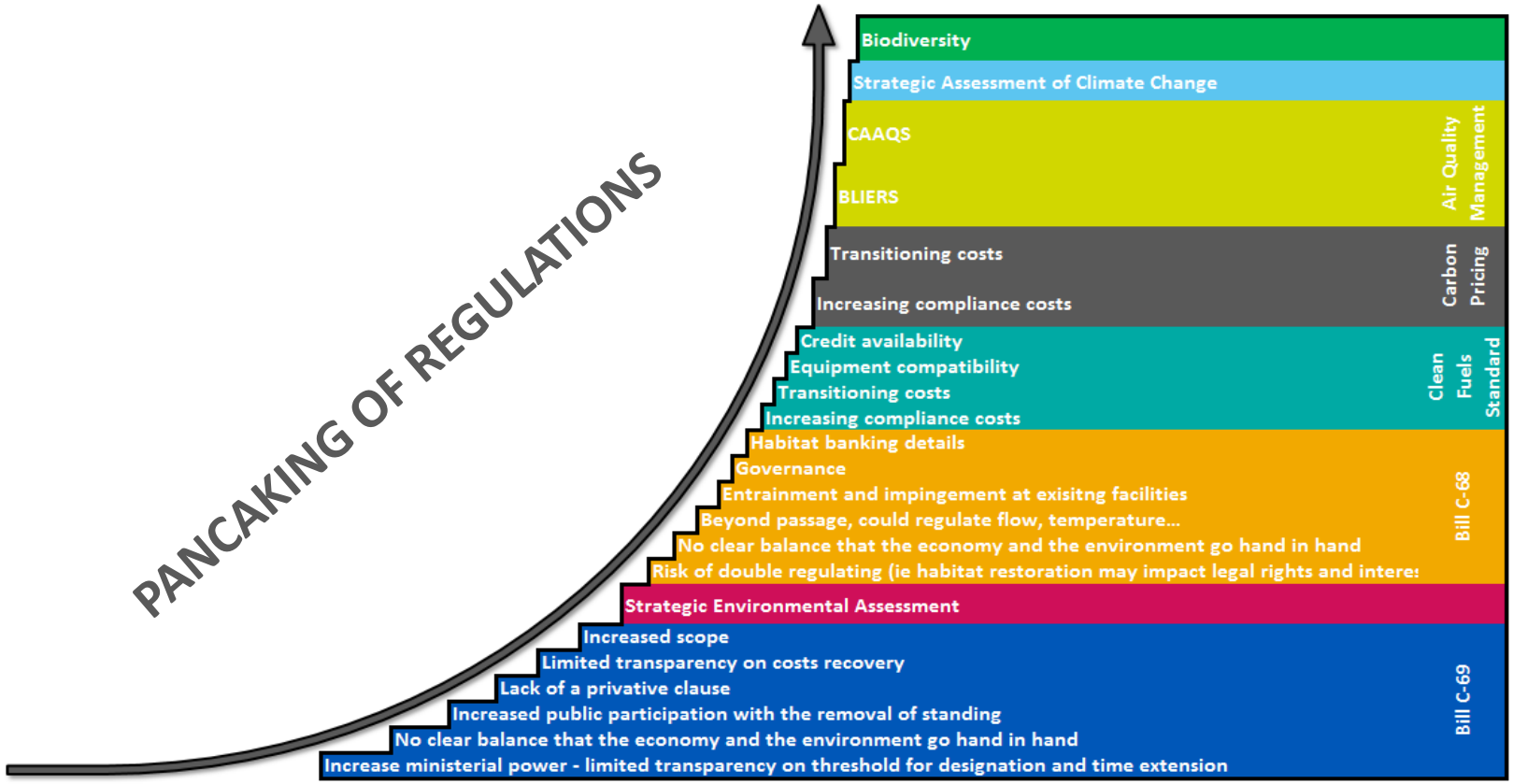
	PBR	PBR 2.0
Efficiency Carry-over Mechanism (ECM)	ECM up to 0.5% additional ROE for the years 2018 and 2019 based on certain criteria	ECM up to 0.5% additional ROE for the years 2023 and 2024 based on certain criteria
Productivity Adjuster (X Factor)	1.16%	0.30%
Treatment of Capital Expenditures	Recovered through going-in rates inflated by I-X Significant capital expenditures not fully recovered by the I-X formula and meeting certain criteria recovered through a K Factor	Recovered through going-in rates inflated by I-X and a K Bar that is based on inflation adjusted average historical capital expenditures for the period 2013-2016. The K Bar is calculated annually and adjusted for the actual WACC Significant capital costs that are extraordinary, not previously incurred and required by a third party recovered through a "Type I" K Factor
O&M	Based on approved 2012 forecast O&M levels; inflated by I-X thereafter over the PBR term	Based on the lowest annual actual O&M level during 2013-2016, adjusted for inflation, growth and productivity to 2017 dollars; inflated by I-X thereafter over the PBR term

CANADIAN UTILITIES LIMITED
An ATCO Company

REGULATORY UPDATE



CUMULATIVE EFFECTS ON RISK / UNCERTAINTY / COSTS



CANADIAN UTILITIES LIMITED
An ATCO Company

LONG-TERM CONTRACTED CAPITAL INVESTMENT

HYDROCARBON STORAGE

COGENERATION

HYDROELECTRIC GENERATION

FORT MCMURRAY WEST 500 KV TRANSMISSION

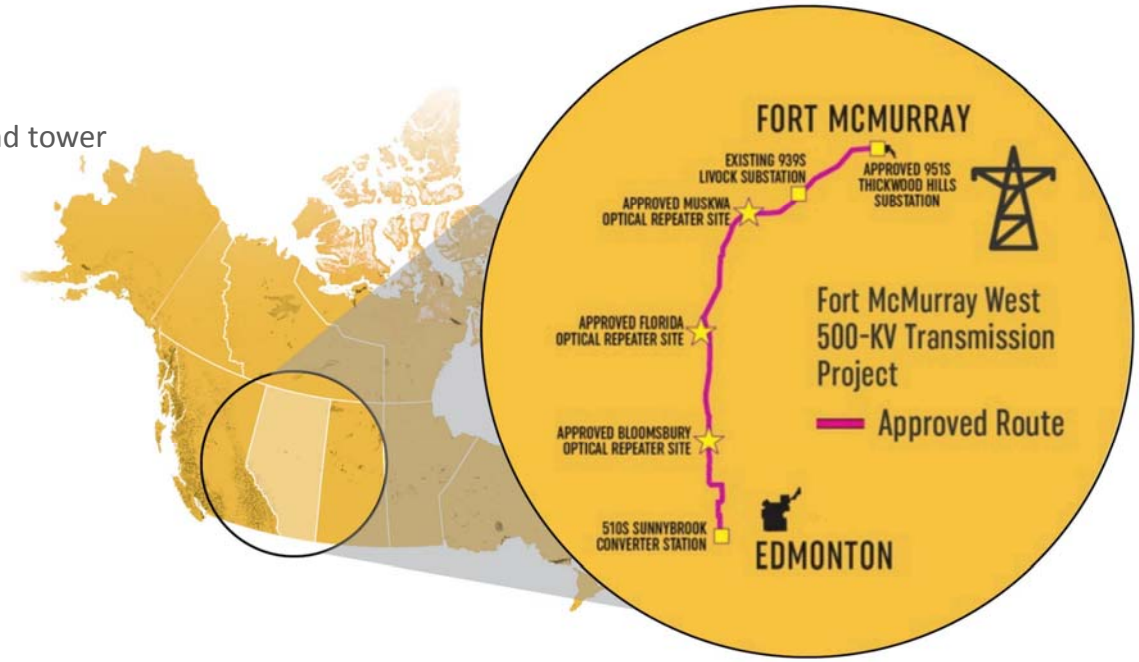
$1.0 BILLION (2018–2020)

CANADIAN UTILITIES LIMITED
An ATCO Company

ALBERTA POWERLINE

Fort McMurray West 500 kV Transmission Project

- The design and planning phases were completed and construction commenced in August 2017.
- Land preparation and tower foundation installation and tower assembly is proceeding ahead of schedule. The target energization date of June 2019 remains on track.



* More information is available at www.albertapowerline.com.

CANADIAN UTILITIES LIMITED
An ATCO Company

COAL TO GAS CONVERSION STRATEGY

Battle River

- Partial conversion (50%) completed on BR4 Mar 2018
- Proceeding with "Dual Fuel" conversion of BR5 with commercial operation date (COD) of Dec 2019
- Proceeding with increasing natural gas interconnection to the site to support the conversion work with COD Nov 2019 with firm gas transport commitment for Nov 2021
- Pursuing further conversion opportunity on BR3 & BR4

Sheerness

- Proceeding with increasing natural gas interconnection to the site with COD Nov 2019 and firm natural gas transport commitment for Apr 2022
- Pursuing the opportunity of "Dual Fuel" conversion of both units to align with natural gas transport commitment or earlier.

Battle River Generating Station

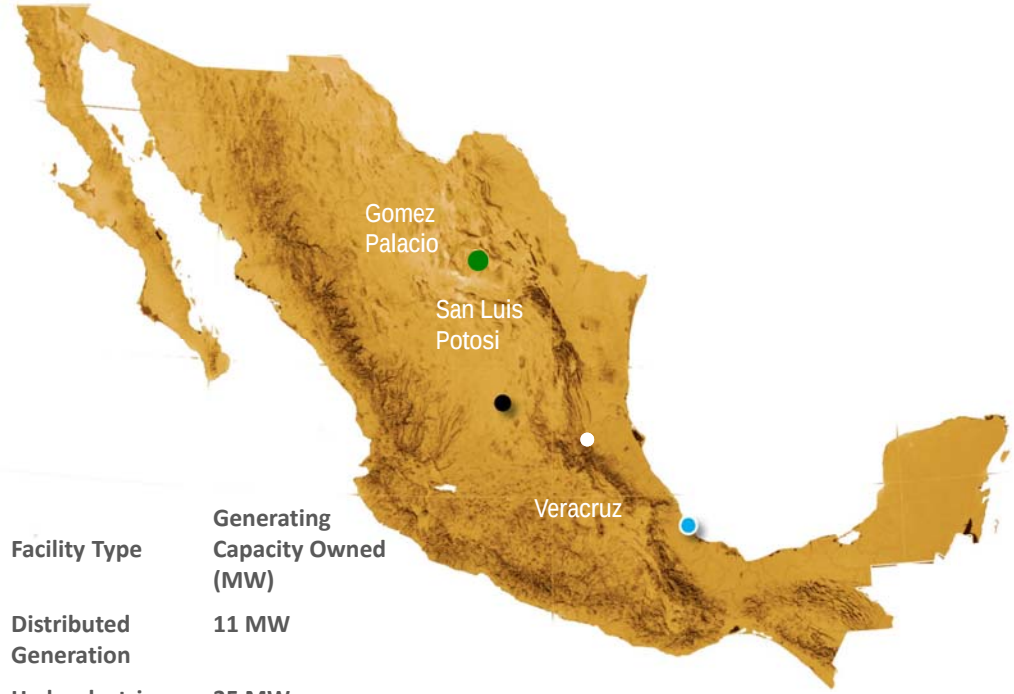
Sheerness Generating Station

CANADIAN UTILITIES LIMITED
An ATCO Company

MEXICO EXPANSION

Mexico Attractiveness

- Energy Reform offers opportunities for energy infrastructure investment
- Attractive GDP growth forecast
- Acquired and built a total of 46 MW of electricity generation, including hydroelectric generation; contacted to build 26 MW of natural gas cogeneration

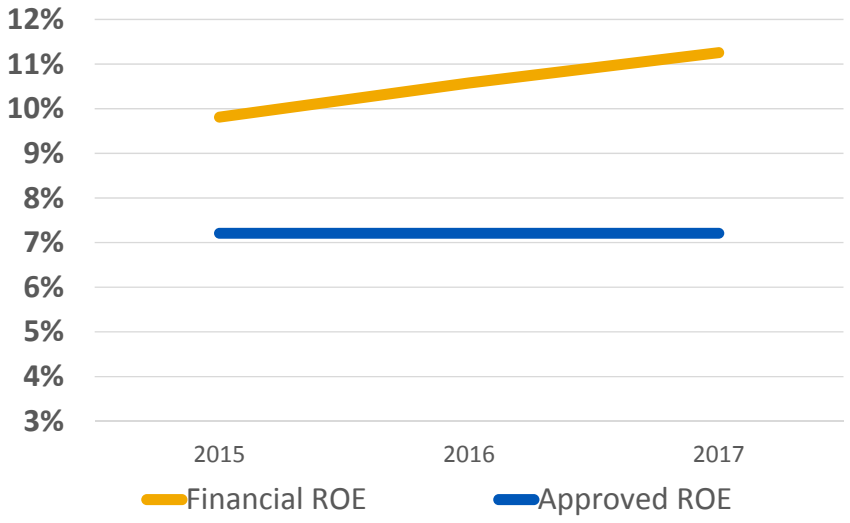


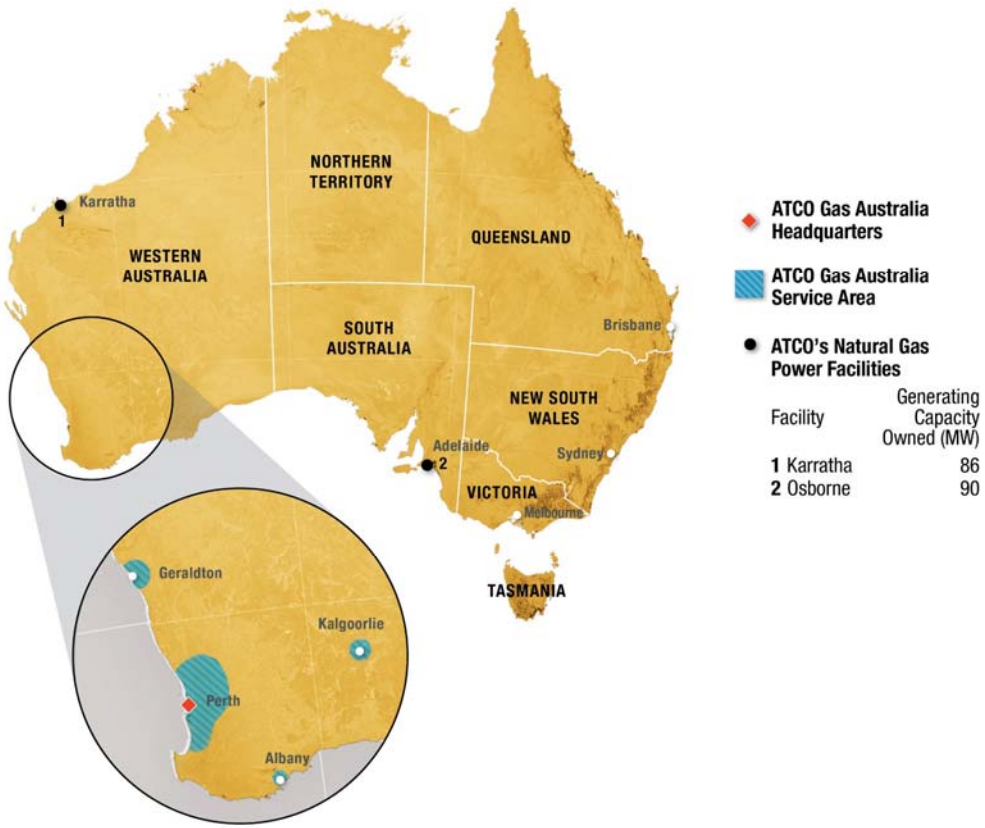
Facility Type	Generating Capacity Owned (MW)
Distributed Generation	11 MW
Hydroelectric Generation	35 MW
Cogeneration	26 MW

CANADIAN UTILITIES LIMITED
An ATCO Company

AUSTRALIA SUCCESS

ATCO Gas Australia ROE +3.34% on average above ERA approved ROE from 2015-2017





CANADIAN UTILITIES LIMITED
An ATCO Company

STORAGE & INDUSTRIAL WATER GROWTH

We build, own and operate non-regulated industrial water, natural gas storage, hydrocarbon storage, and NGL related infrastructure

- 85,200 m^3/day water infrastructure capacity
- 400,000 m^3 hydrocarbon storage capacity
- 52 PJ natural gas storage capacity
- ~ 116 km pipelines

Industrial Water

- Long-term commercial agreement to provide water services commencing in 2020 to Inter Pipeline's newly announced PDH plant

Natural Gas & Hydrocarbon Storage

- Potential to develop up to 40 additional salt caverns for NGL and hydrocarbon storage

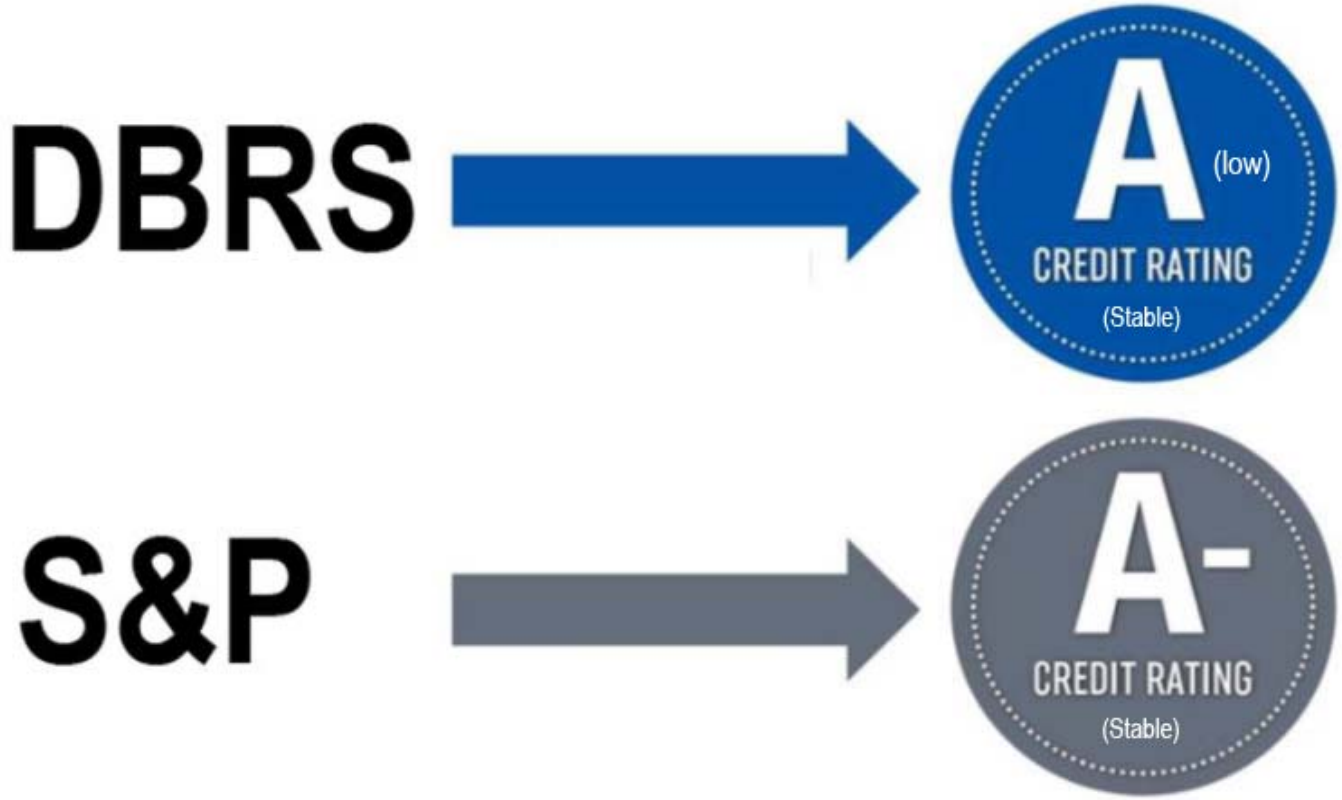
Heartland Industrial Water System

Heartland Salt Caverns

ATCO

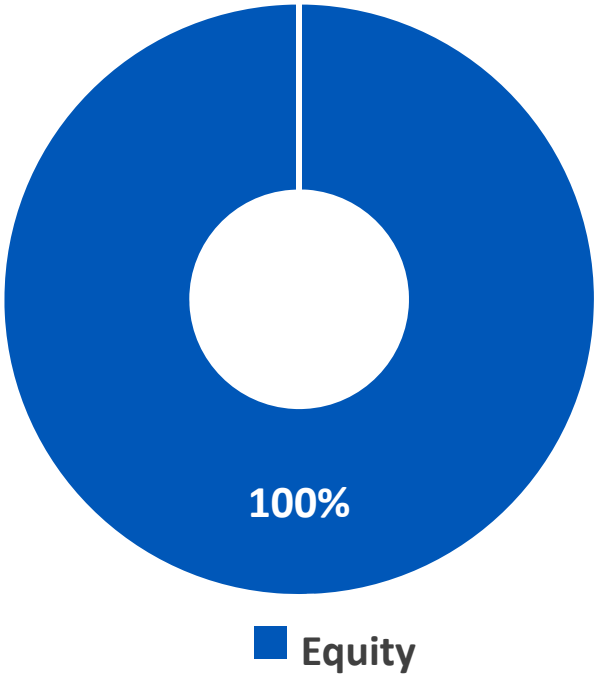
DENNIS A. DECHAMPLAIN
SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER

CREDIT RATINGS

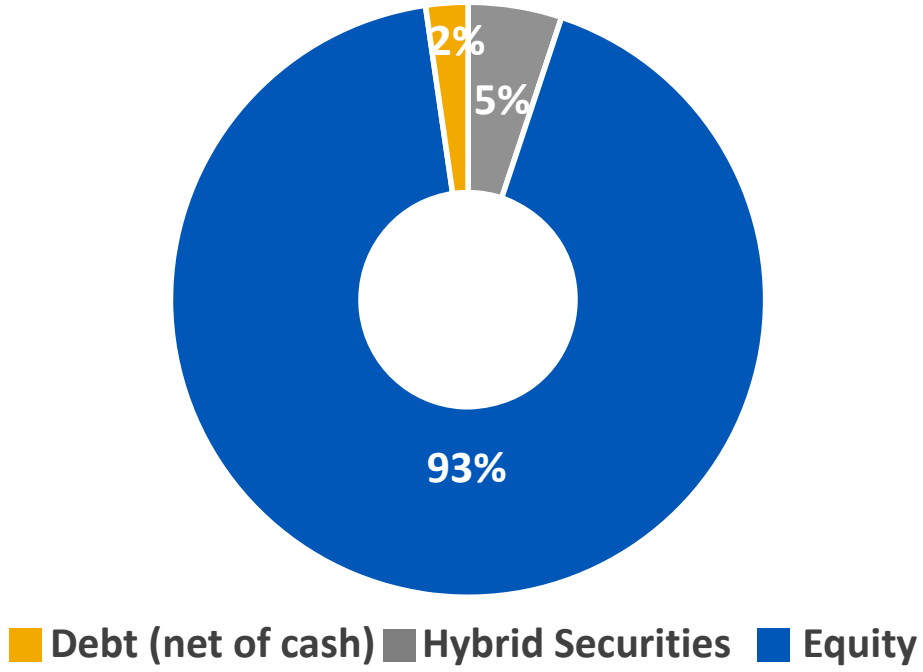


ATCO DECONSOLIDATED CAPITAL STRUCTURE

December 31, 2017



After Neltume Investment Financing



ATCO FINANCIAL LIQUIDITY

EXCELLENT LIQUIDITY POSITION

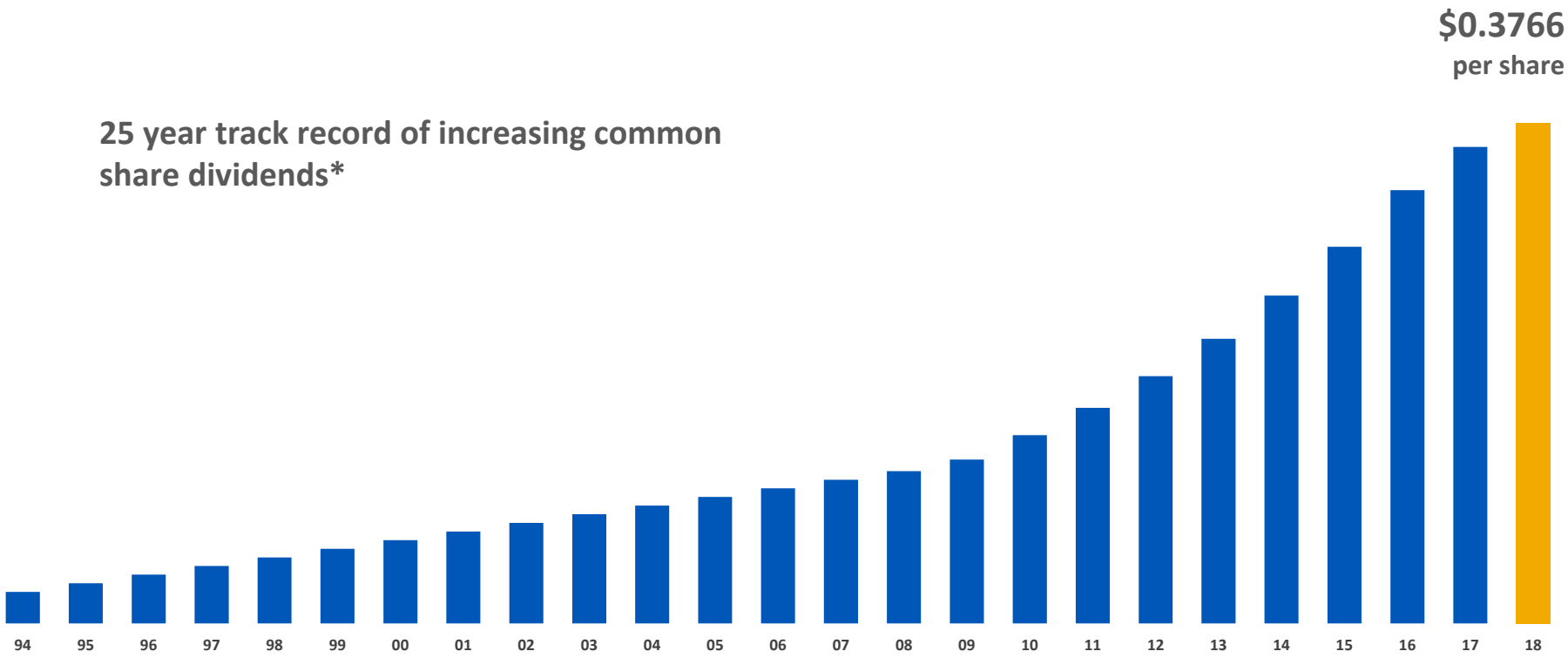
$280M of readily accessible lines of credit

$100M of available cash on the balance sheet

* Amounts as at the second quarter ended June 30, 2018

DIVIDEND GROWTH

25 year track record of increasing common share dividends*



* On July 12, 2018, ATCO declared a third quarter dividend of $0.3766 per share, or $1.51 per share annualized.

ATCO

NANCY C. SOUTHERN
CHAIR & CHIEF EXECUTIVE OFFICER

KEY HIGHLIGHTS

Geographic Diversification

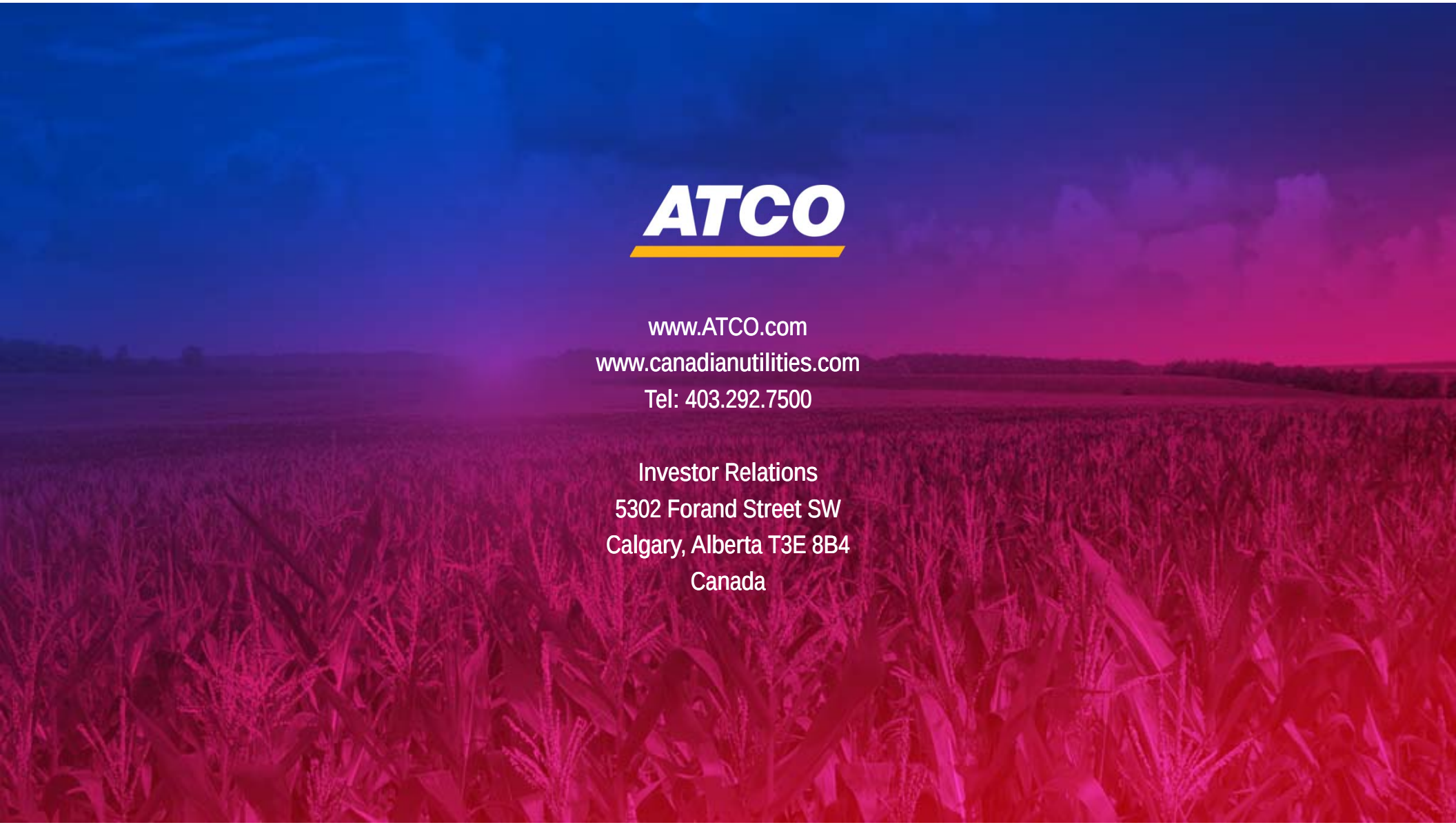
EPS Accretion

Additional platform for continued growth

ATCO

2018 INVESTOR DAY PRESENTATION

SEPTEMBER 14, 2018



www.ATCO.com
www.canadianutilities.com
Tel: 403.292.7500

Investor Relations
5302 Forand Street SW
Calgary, Alberta T3E 8B4
Canada