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 may 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.
Retail Energy was launched in early 2016 to provide retail, commercial and industrial electricity and natural gas service in Alberta.

Regulated operations include ATCO Gas, ATCO Pipelines, ATCO Gas Australia, ATCO Electric Distribution, and ATCO Electric Transmission.

Alberta PowerLine General Partner Ltd. is the general partner of Alberta PowerLine Limited Partnership (Alberta PowerLine or APL), a partnership between Canadian Utilities Limited (80 per cent) and Quanta Services, Inc. (20 per cent).
With approximately 5,400 employees and assets of $21 billion, Canadian Utilities Limited is part of a diversified corporation providing sustainable, innovative and comprehensive energy solutions globally.

Canadian Utilities (TSX: CU / CU.X)
~$9 billion common equity capitalization

CU Inc.
~$7.5 billion debt capitalization

Electricity
- 87,000 kms of electric power lines
- 19 power plants globally
- 2,517 MW power generating capacity

Pipelines & Liquids
- 64,500 kms of pipelines
- 85,200 m³/d water infrastructure capacity
- 52 PJ natural gas storage capacity
- 400,000 m³ hydrocarbon storage capacity
ASSET GROWTH

We have more than doubled in size since 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity</th>
<th>Pipelines &amp; Liquids</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$9.1B</td>
<td>$7.6B</td>
<td>$16.7B</td>
</tr>
<tr>
<td>2017</td>
<td>$4.1B</td>
<td>$20.8B</td>
<td>$25.2B</td>
</tr>
</tbody>
</table>
REGULATED UTILITY GROWTH

Regulated Capital Investment

Mid-Year Rate Base

Regulated Normalized Adjusted Earnings

INVESTOR PRESENTATION JUNE 2018
UTILITIES ACHIEVE TOP TIER RETURNS ON EQUITY

Alberta Utility Average (excluding CU)  CU Inc. Average  AUC Approved

- 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.
GROWING A HIGH QUALITY EARNINGS BASE

REGULATED ADJUSTED EARNINGS AS A PERCENTAGE OF TOTAL ADJUSTED EARNINGS

2013: 65%
2017: 99%
Canadian Utilities

Longest track record of annual dividend increases of any Canadian publicly traded company*

*On April 04, 2018, Canadian Utilities declared a second quarter dividend of $0.3933 per share, or $1.57 per share annualized.
GROWTH: $1.7B OF CAPITAL INVESTMENT IN 2017

- Regulated Utility Capital: 70%
- Long-term Contracted Capital: 29%
- Other: 1%
CONTINUED REGULATED UTILITY CAPITAL INVESTMENT

ELECTRIC TRANSMISSION $211M
ELECTRIC DISTRIBUTION $227M
NATURAL GAS DISTRIBUTION $372M
NATURAL GAS TRANSMISSION $297M
INTERNATIONAL NATURAL GAS DISTRIBUTION $92M
2017 RECORD ADJUSTED EARNINGS

RECORD EARNINGS DUE TO GROWTH IN REGULATED BUSINESSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated</th>
<th>Regulated Businesses</th>
<th>Non-Regulated Segment Businesses &amp; Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$590M</td>
<td>$550M</td>
<td>$40M</td>
</tr>
<tr>
<td>2017</td>
<td>$602M</td>
<td>$593M</td>
<td>$9M</td>
</tr>
</tbody>
</table>
Lower earnings mainly due to rate rebasing under Alberta’s regulated model.
FIRST QUARTER 2018 ADJUSTED EARNINGS: OPERATING IMPROVEMENTS FLOW INTO CUSTOMER RATES

ELECTRIC DISTRIBUTION DEEMED REVENUE FOR OPERATING COSTS

Revenue  O&M Cost  New Revenue  New O&M

Q&M cost improvements passed onto customers in 2018
### PBR 2.0 HIGHLIGHTS

<table>
<thead>
<tr>
<th>Productivity Adjuster (X Factor)</th>
<th>PBR</th>
<th>PBR 2.0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.16%</td>
<td>0.30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>O&amp;M</th>
<th>Based on approved 2012 forecast O&amp;M levels; inflated by I-X thereafter over the PBR term</th>
<th>Based on the lowest annual actual O&amp;M level during 2013-2016, adjusted for inflation, growth and productivity to 2017 dollars; inflated by I-X thereafter over the PBR term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of Capital Expenditures</td>
<td>Recovered through going-in rates inflated by I-X</td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>Significant capital expenditures not fully recovered by the I-X formula and meeting certain criteria recovered through a K Factor</td>
<td>Significant capital costs that are extraordinary, not previously incurred and required by a third party recovered through a “Type I” K Factor</td>
</tr>
<tr>
<td>Efficiency Carry-over Mechanism (ECM)</td>
<td>ECM up to 0.5% additional ROE for the years 2018 and 2019 based on certain criteria</td>
<td>ECM up to 0.5% additional ROE for the years 2023 and 2024 based on certain criteria</td>
</tr>
</tbody>
</table>
REGULATORY UPDATE

Getting back to prospective rate making

2018 to 2020 Generic Cost of Capital (GCOC)
- 2017
- 2018: Decision Expected
- 2019
- 2020

Gas and Electric Distribution 2018 to 2020 Performance Based Regulation (PBR) 2.0
- 2017
- 2018: Decision Received
- 2019
- 2020

Electric Transmission 2018 to 2019 General Tariff Application (GTA)
- 2017
- 2018: Decision Expected
- 2019
- 2020

Gas Transmission 2017 to 2018 General Rate Application (GRA)
- 2017: Decision Received
- 2018: 2019 to 2020 GRA expected filing
- 2019: 2019 to 2020 Decision Expected
- 2020

INVESTOR PRESENTATION JUNE 2018
STRATEGIC PRIORITIES FOR 2018 AND BEYOND

INNOVATION

GROWTH

FINANCIAL STRENGTH

STRATEGY

COMMUNITY INVOLVEMENT

OPERATIONAL EXCELLENCE
GROWTH: CONTINUED CAPITAL INVESTMENT

$4.5B OF PLANNED CAPITAL INVESTMENT 2018 TO 2020

- $1.0B: Long-term Contracted Capital
- $0.3B: International Natural Gas Distribution
- $0.6B: Natural Gas Transmission
- $0.9B: Natural Gas Distribution
- $0.9B: Electricity Transmission
- $0.8B: Electricity Distribution

INVESTOR PRESENTATION JUNE 2018
RATE BASE GROWTH

Regulated Capital Investment

Mid-Year Rate Base
Expected to Grow 4% - 5% per year

INVESTOR PRESENTATION JUNE 2018
GROWTH: LONG-TERM CONTRACTED CAPITAL INVESTMENT

- HYDROCARBON STORAGE
- COGENERATION
- HYDROELECTRIC GENERATION
- FORT MCMURRAY WEST 500 KV TRANSMISSION

$1.0 BILLION (2018–2020)
GROWTH: GLOBAL EXPANSION

Mexico Hydro Acquisition and Cogeneration

- In December 2017, Canadian Utilities announced the $114 million acquisition of a long-term contracted, 35 MW hydroelectric power station based in Veracruz, Mexico.
- In March 2018, Canadian Utilities announced it will build a 26 MW electricity cogeneration facility under a long-term contract near Gomez Palacio, Mexico.

![Map of Mexico showing hydroelectric and cogeneration facilities]
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.

FINANCIAL STRENGTH: FUNDING SOURCES

Canadian Utilities Funding Sources 2013 – 2017

- Funds Generated by Operations: 63%
- Dividend Reinvestment (DRIP): 3%
- Capital Redeployment: 3%
- Debt Issues (net of repayment): 26%
- Preferred Shares: 5%
FINANCIAL STRENGTH: BALANCE SHEET

A CREDIT RATING (unchanged)

DBRS

A CREDIT RATING

S&P

A- CREDIT RATING (stable)

REVISED
IN 2017, CANADIAN UTILITIES ISSUED DEBT AT THE LOWEST LONG-TERM INTEREST RATE IN COMPANY HISTORY

INVESTOR PRESENTATION JUNE 2018
FINANCIAL STRENGTH: CAPITAL MARKETS ACCESS

In 2017, Alberta PowerLine Completed The Largest Public-Private Partnership Debt Financing in Canadian History

$1,385M

Alberta PowerLine

Other Public-Private Financings
EXCELLENT LIQUIDITY POSITION

$2.8B of readily accessible lines of credit

$490M of available cash on the balance sheet

* Amounts as at the first quarter ended March 31, 2018
ALBERTA POWER MARKET DEVELOPMENTS

IMPROVING CLARITY

Capacity Market in Alberta
- Market design discussions ➔ under way with the AESO; expect final market design in summer 2018
- Capacity market framework ➔ expect first auctions in 2019 for 1 year terms beginning 2021; draft framework appears supportive for incumbent electricity generators

WELL POSITIONED

Phase-in of Renewable Generation
- Clean Power Call ➔ First contracts awarded for 600MW to other parties in 2017; next two auctions for 700MW total in 2018
- Hydro ➔ continue to explore potential developments in Northern Alberta
- Coal ➔ Battle River unit 5 PPA turnback terms under discussion; coal to gas conversions under review

MINIMAL RISK EXPOSURE

Carbon Tax
- Compliance costs ➔ recovered through Thermal PPAs
- Longer term ➔ anticipate carbon costs will largely be recovered through the Alberta power market
- GHG emission ➔ expected to be recovered in utility rates on a go-forward basis
SUMMARY

GROWTH

COST EFFICIENCY

FINANCIAL STRENGTH
ELECTRICITY DISTRIBUTION & TRANSMISSION

We build, own and operate electrical distribution and transmission facilities

- 256,000 farm, business and residential customers in 241 Alberta communities
- Approximately 11,000 km of transmission lines, and delivers power to and operates 4,000 km of lines owned by Rural Electrification Associations, and 72,000 km of distribution lines
- Subsidiaries:
  - ATCO Electric Yukon
  - Northland Utilities
**FINANCIAL STRENGTH: ELECTRIC DISTRIBUTION**

**RETURN ON EQUITY**

ROE +2.88% on average above AUC approved
ROE from 2007-2017 and +3.03% on average in the last 5 years
FINANCIAL STRENGTH: ELECTRIC TRANSMISSION
RETURN ON EQUITY

ROE +0.83% on average above AUC approved ROE from 2007-2017
We have an ownership position in 19 power generation plants in Alberta, British Columbia, Saskatchewan, Ontario and Mexico

- Electricity Market Exposure Portfolio:
  - 1,610 MW Contract (69%)
  - 731 MW Merchant (31%)
We operate two power generation facilities with a combined capacity share of 176 MW

- Provides energy infrastructure for thousands of public sector, domestic and industrial clients across Australia
- Electricity Market Exposure Portfolio:
  - 176 MW Contract (100%)
We build, own and operate natural gas distribution facilities in Alberta

- Alberta’s largest natural gas distribution company
- Serves approximately 1.2 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines
FINANCIAL STRENGTH: NATURAL GAS DISTRIBUTION
RETURN ON EQUITY

ROE +3.11% on average above AUC approved
ROE from 2007-2017
and +4.23% on average in the last 5 years
NATURAL GAS TRANSMISSION

We build, own and operate key high-pressure natural gas transmission facilities in Alberta

- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,400 km of pipeline
- Delivers a peak of 3.7 billion cubic ft/day of natural gas to customers
- ~ 3,500 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets
- 24/7 monitoring of pipelines and facilities via a specialized control centre
FINANCIAL STRENGTH: NATURAL GAS TRANSMISSION
RETURN ON EQUITY

ROE +2.11% on average above AUC approved ROE from 2007-2017
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
We provide safe and reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

- Approximately 753,000 customers
- 14,000 km of natural gas distribution pipelines
We offer workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management

- 7 manufacturing plants globally
- Nearly 1,000,000 sq ft of manufacturing space
- Subsidiary: Sustainable Communities
LOW EARNINGS BUT CONTINUED STRONG CASH FLOW GENERATION

Adjusted Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$43M</td>
</tr>
<tr>
<td>2017</td>
<td>$6M</td>
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</table>

Funds Generated By Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$110M</td>
</tr>
<tr>
<td>2017</td>
<td>$85M</td>
</tr>
</tbody>
</table>
GROWTH STRATEGY: STRUCTURES & LOGISTICS

Right-sizing space rental fleet to lower fixed operating costs

- Total Space Rental Units: 2016 - 13,629; 2017 - 13,456

Improving space rental utilization

- Total Space Rental Units Utilized: 2016 - 8,723; 2017 - 9,419
GROWTH STRATEGY: 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.
GROWTH STRATEGY: STRUCTURES & LOGISTICS

EXPANDING GEOGRAPHICALLY IN SELECT GLOBAL MARKETS

Current Operations
FINANCIAL STRENGTH: BALANCE SHEET AS AT Q1 2018

- Debt (net of cash): 60%
- Preferred Shares: 9%
- Equity: 31%