



FOR IMMEDIATE RELEASE:

St. John's, NL (June 27, 2012):

FORTIS INC. ANNOUNCES CLOSING OF SUBSCRIPTION RECEIPTS OFFERING

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Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS) announced today that it has closed its bought deal offering of Subscription Receipts (the "Offering") underwritten by a syndicate of underwriters led by CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc. (the "Underwriters"). Fortis entered into an agreement, on June 20, 2012, with the Underwriters under which the Underwriters agreed to purchase from Fortis and sell to the public 18,500,000 Subscription Receipts at \$32.50 each for gross proceeds to the Corporation of \$601,250,000.

The net proceeds of the Offering will be used, subsequent to receipt of all required approvals and satisfaction of closing conditions (the "Release Conditions"), to finance a portion of the purchase price of the previously announced acquisition of CH Energy Group, Inc. (NYSE:CHG). The acquisition is expected to close by the end of the first quarter of 2013. The gross proceeds of the Offering will be held by an escrow agent pending satisfaction of the Release Conditions.

The Subscription Receipts will commence trading on the Toronto Stock Exchange on June 27, 2012 under the symbol "FTS.R".

Each Subscription Receipt will entitle the holder to receive, on satisfaction of the Release Conditions and without payment of additional consideration, one common share of Fortis and a cash payment equal to the dividends declared on Fortis common shares to holders of record during the period from today to the date of issuance of the common shares in respect of the Subscription Receipts. In the event that the Release Conditions are not satisfied prior to 5:00 pm (Toronto time) on June 30, 2013, or if the share purchase agreement relating to the acquisition is terminated prior to such time, the holders of Subscription Receipts will be entitled to receive an amount equal to the full subscription price thereof plus their pro rata share of the interest earned and yield generated on such amount.

Fortis is the largest investor-owned distribution utility in Canada, with total assets of more than \$14 billion and fiscal 2011 revenue totalling approximately \$3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels across Canada and commercial office and retail space primarily in Atlantic Canada. The Corporation's common

shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at www.fortisinc.com or www.sedar.com.

Fortis includes forward-looking information in this material 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 from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis and the "Risk Factors" section of the Annual Information Form. 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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