



**FOR IMMEDIATE RELEASE:**

ST. JOHN'S, NL (December 19, 2008):

**FORTIS INC. CLOSES \$300,105,000 COMMON 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 common shares (the "Common Shares") underwritten by a syndicate of underwriters led by Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. Fortis issued 11,700,000 Common Shares at a price of \$25.65 per share for gross proceeds to the Corporation of \$300,105,000. The underwriters also have the option to purchase up to an additional 1,755,000 Common 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 \$345,120,750.

The net proceeds of the Offering will be used to repay indebtedness under the Corporation's credit facility and for general corporate purposes. Indebtedness under the Corporation's credit facility that will be repaid was originally incurred primarily to repay \$200 million of debt of its subsidiary, Terasen Inc., that matured on December 1, 2008, and for general corporate purposes.

Fortis is the largest investor-owned distribution utility in Canada. With total assets exceeding \$10.5 billion and annual revenues expected to be 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 three Caribbean countries and a natural gas utility in British Columbia. Fortis owns non-regulated generation assets across Canada and in Belize and upper New York State. It also owns hotels and commercial real estate across 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", "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 information currently available to the Corporation's management. The forward-looking information in this media release includes, but is not limited to, statements regarding: expected use of the net proceeds of the common share offering. The forecasts and projects*

*that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders; the absence of significant operational disruptions or environmental liabilities due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; the Corporation's ability to maintain its gas and electricity systems to ensure their continued performance; the competitiveness of natural gas pricing when compared with electricity and other alternative sources of energy; the availability of natural gas supply; favourable economic conditions; the level of interest rates; the ability to hedge certain risks; the absence of counterparty defaults; access to capital markets and availability of liquidity; maintenance of adequate insurance coverage; the ability to obtain licences and permits; the level of energy prices; retention of existing service areas; favourable labour relations; and sufficient human resources to deliver service and execute the capital program. 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; 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; counterparty risk; risks related to Terasen Gas (Vancouver Island) Inc.; capital resources and liquidity risk; environment; insurance; pension plan performance and funding requirements; transition to International Financial Reporting Standards; licences and permits; energy prices and the cessation of the Niagara Exchange Agreement; loss of service area; First Nations Lands; labour relations and human resources. 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 and nine months ended September 30, 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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