

February 22, 2018

ATCO REPORTS 2017 EARNINGS

CALGARY, Alberta - ATCO Ltd. (TSX: ACO.X, ACO.Y)

ATCO today announced adjusted earnings for 2017 of \$335 million, or \$2.93 per share, compared to \$360 million, or \$3.15 per share, in 2016. ATCO had fourth quarter, 2017 adjusted earnings of \$92 million, or \$0.80 per share, compared to \$94 million, or \$0.82 per share, in the fourth quarter of 2016.

Strong earnings in the Company's regulated utility businesses, mainly due to continued capital investment and rate base growth, were more than offset by lower contributions from the Company's non-regulated businesses as persistent weak commodity prices impacted financial results in Structures & Logistics.

ATCO invested \$1,821 million in capital growth projects in 2017, of which 95 per cent was invested in assets that earn a return under a regulated business model or are under commercially secured long-term contracts.

In the period 2018 to 2020, ATCO plans to invest an additional \$4.4 billion in Regulated Utility and commercially secured capital growth projects. This capital investment is expected to contribute significant earnings and cash flow, and create long-term value for share owners.

On January 11, 2018, ATCO declared a first quarter dividend for 2018 of 37.66 cents per Class I Non-Voting and Class II Voting Share. ATCO's annual dividend per share has increased for 25 consecutive years.

RECENT DEVELOPMENTS

- In December, Canadian Utilities, an ATCO company, announced the acquisition of a long-term contracted, 35 megawatt hydroelectric power station in Veracruz, Mexico. The \$114 million transaction closed on February 20, 2018.
- In December, ATCO paid \$140 million to purchase Canadian Utilities' 24.5 per cent ownership interest in ATCO Structures & Logistics Ltd. resulting in 100 per cent ownership by ATCO.

- In December, ATCO and CYDSA S.A.B. de C.V. announced the signing of a Memorandum of Understanding that will see the two companies work together to explore and develop midstream opportunities in Mexico's oil and gas industry. The initial focus will be on underground hydrocarbon storage in salt cavern formations and depleted reservoirs, and will also include opportunities in gas gathering and processing, natural gas liquids extraction and fractionation.
- In December, Structures & Logistics' Frontec Division was selected by Defence Construction Canada, the procurement partner of Canada's Department of National Defence, to provide facility maintenance and support services at Canadian Armed Forces sites across the Canadian North commencing March 1, 2018 for a period of five years. The initial contract is valued at \$79 million, with an option for a five-year extension.
- In November, CU Inc., an ATCO company, issued \$430 million of 3.548 per cent 30-year debentures, the lowest long-term interest rate in the Company's history. Proceeds from this issuance were used to fund capital investments, to repay existing indebtedness, and for other general corporate purposes of the Alberta Utilities.
- In October, Alberta PowerLine successfully completed the largest public-private partnership debt financing in Canadian history with a \$1.4 billion bond financing. Alberta PowerLine is a partnership between Canadian Utilities (80 per cent) and Quanta Services, Inc. (20 per cent), with a 35-year contract from the Alberta Electric System Operator to design, build, own, and operate the Fort McMurray 500-kV Transmission project, running approximately 500 km from Wabamun, near Edmonton to Fort McMurray, Alberta. Construction is underway and is proceeding on schedule.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is provided below:

(\$ millions except share data)	For the Three Months Ended December 31		For the Year Ended December 31	
	2017	2016	2017	2016
Adjusted earnings ⁽¹⁾	92	94	335	360
Gain on sale of joint operation ⁽²⁾	—	—	—	7
Unrealized losses on mark-to-market forward commodity contracts ⁽²⁾	(29)	—	(48)	—
Impairment ⁽²⁾	(23)	—	(23)	—
Rate-regulated activities ⁽²⁾	(26)	11	(61)	(22)
Other ⁽³⁾	(2)	(5)	—	(5)
Earnings attributable to Class I and Class II Shares	12	100	203	340
Weighted average shares outstanding (millions of shares)	114.4	114.4	114.4	114.4

(1) Adjusted earnings are defined as earnings attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of ATCO's earnings with other Canadian rate-regulated companies.

(2) Refer to Note 3 of the consolidated financial statements for detailed descriptions of the adjustments.

(3) The Company adjusted for the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

This news release should be used as a preparation for reading the full disclosure documents. ATCO's consolidated financial statements and management's discussion and analysis for the quarter ended December 31, 2017 will be available on the ATCO website (www.ATCO.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 7,000 employees and assets of \$22 billion, ATCO is a diversified global corporation delivering service excellence and innovative business solutions in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.ATCO.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.