

The Depository Trust Company

IMPORTANT

B#: 3568-08

DATE July 16, 2008

TO: All Participants

CATEGORY: Dividends

FROM: Supervisor, Stock Dividend Department

ATTENTION: Dividend Managers, Cashiers, and Reorganization Managers

SUBJECT: Rights: Caribbean Utilities Company CUSIP: G1899E 146
R/D: 7/14/08 Expires: 8/15/08 no later than 4:00 P.M. Toronto
Time Rate: One Right for each Class A Ordinary Share held.
DTC instructions Cut-off 08/04/08 to have rights delivered by
agent

*****WARNING TIME CRITICAL*****

Caribbean Utilities Company is issuing transferable rights ("Rights") to holders of its Class A Ordinary Shares as of the close of business on the record date of 7/14/08 (the "Record Date"). Each holder is entitled to one Right for each Class A Ordinary Share outstanding. The Rights expires on 08/15/08 at 4:00 P.M. Toronto Time.

No Fractional Rights will be issued.

Certificates representing the Rights ("Rights Certificates") will be delivered by the Company only to Shareholders who are residents of the Qualified Jurisdictions and to Approved U.S. Accredited Investors. Certain additional investors outside of the Qualified Jurisdictions and the United States may also be provided with rights certificates upon the Company being satisfied of their eligibility to subscribe for Class A Ordinary Shares pursuant to the Offering.

Participants with eligible Shareholders wishing to have the Rights released to them must send instructions to the attention of Keddy Guignard or Morris Richards, of DTC's Stock Dividend Section, via fax #813-470-1097, no later than 5P.M. Eastern Time on 08/4/08. Participants must contact Keddy Guignard or Morris Richards at 813-470-1178/1568 to confirm receipt of the instructions. The instructions will be processed only

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after the acceptance by the subscription agent.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE AND ANY EXTENSIONS TO THE EXPIRATION DATE.

If participants have any questions regarding this Important Notice, they may contact DTC's Customer Help Center at (888) 382-2721.

Attention Business Editors:

Caribbean Utilities Company, Ltd. announces Rights Offering

Caribbean Utilities Company, Ltd. is listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol "CUP.U".

GRAND CAYMAN, Cayman Islands, June 23 /CNW/ - Caribbean Utilities Company, Ltd. ("CUC" or the "Company") (TSX: CUP.U) today announced that it is commencing a rights offering (the "Offering") as described below. Gross proceeds of the Offering will be approximately US\$28 million. The Company intends to use the proceeds of the Offering (after payment of the expenses of the Offering) to repay approximately US\$18.5 million of indebtedness, and the balance will be used to finance capital projects.

The Company will be issuing rights ("Rights") to eligible holders of record ("Shareholders") of outstanding Class A Ordinary Shares of the Company ("Class A Ordinary Shares") at the close of business on July 14, 2008 (the "Record Date") to subscribe for additional Class A Ordinary Shares on the terms set forth in a rights offering circular (the "Circular") to be mailed by the Company to Shareholders. The Circular will also be available at the Canadian Securities Administrators' SEDAR website at www.sedar.com. Each Shareholder will receive one Right for each Class A Ordinary Share held on the Record Date. Each ten (10) Rights entitle the holder to acquire one Class A Ordinary Share of the Company upon payment of the subscription price of US\$11.09 per share prior to the expiration of the Rights at 4:00 pm (Toronto time) on August 15, 2008 and satisfaction of the other requirements for exercise of the Rights set forth in the Circular. Shareholders who exercise all of their Rights will also be entitled to acquire additional Class A Ordinary Shares, if any, which are not subscribed for by other holders of Rights pursuant to an additional subscription privilege, the terms of which are described in the Circular. Shareholders that hold their Class A Ordinary Shares indirectly, including through a broker, CDS Clearing and Depository Services Inc. ("CDS") or a participant in the CDS system should contact the broker, CDS or the CDS participant to determine how Rights may be exercised.

Fortis Energy (Bermuda) Ltd. ("Fortis Bermuda"), which is the Company's largest shareholder, has entered into a stand-by agreement with the Company pursuant to which Fortis Bermuda has agreed to purchase all Class A Ordinary Shares issuable on the exercise of Rights which are not acquired by other holders of Rights or pursuant to the additional subscription privilege.

Except as set forth in the Circular, the Rights and underlying Class A Ordinary Shares are not being offered to, and the Rights may not be exercised by, persons who are residents of any jurisdiction other than the Cayman Islands, the Provinces of Canada and the United States (provided such U.S. person certifies that he is an "Approved U.S. Accredited Investor", as defined in the Circular). For further details, please refer to the section in the Circular entitled "Ineligible Shareholders".

CUC President and Chief Executive Officer, Richard Hew stated, "The completion of this offering of Class A Ordinary Shares will strengthen our balance sheet and support capital expenditures necessary to meet continued growth in demand for electricity in Grand Cayman. In particular, it will assist in the financing of a 16 megaWatt capacity expansion to be carried out under our generation alliance relationship with MAN Diesel SE." Mr. Hew also noted that the offering of rights to raise equity ensured that existing shareholders had an equal opportunity to participate in acquiring additional shares.

The TSX has neither approved nor disapproved the form or content of this information release.

The Rights and underlying Class A Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold to any person within the United States of America, except persons who certify to the Company that they are Accredited

Investors as described in the Circular, and subscriptions will not be accepted from any other person within the United States of America. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

CUC is the sole provider of electricity to Grand Cayman, Cayman Islands. Further information is available at www.cuc-cayman.com.

Caribbean Utilities Company, Ltd. ("CUC" or the "Company"), on occasion, includes forward-looking statements in its media releases, Canadian securities regulatory filings, shareholder reports and other communications; certain statements in this media release are forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend on future events or conditions, or include words such as "expects", "anticipates", "plan", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedule", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are based on underlying assumptions by their very nature and are subject to certain risks and uncertainties that may cause actual results to vary from plans, targets and estimates. Such risks and uncertainties include but are not limited to general economic, market and business conditions, regulatory developments and weather conditions. CUC cautions readers that actual results, including the commencement and completion of the Offering, may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

%SEDAR: 00002251E

/For further information: Douglas H. Murray, Corporate Secretary, Phone: (345) 949-5200, Fax: (345) 949-4621, Email: [investor\(at\)cuc.ky/](mailto:investor(at)cuc.ky/)
(CUP.PR.U. CUP.U.)

CO: Caribbean Utilities Company, Ltd.

CNW 18:12e 23-JUN-08

Please read this material carefully as you are required to make a decision prior to 4:00 p.m. (Toronto time) on August 15, 2008. If you are uncertain as to how to deal with it you should contact your investment dealer, stock broker, bank manager or other professional advisor.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This offering is made only in those jurisdictions where the securities offered hereby may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities to which this offering relates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"). This circular does not constitute an offer of the securities described herein to any person within the United States of America, except persons who certify to the Company that they are Accredited Investors as described herein, and subscriptions will not be accepted from any other person within the United States of America.

Rights Offering

June 20, 2008



CARIBBEAN UTILITIES COMPANY, LTD.

OFFERING OF RIGHTS TO SUBSCRIBE FOR CLASS A ORDINARY SHARES

Subscription Price: US\$11.09 per Class A Ordinary Share

To: Holders of Class A Ordinary Shares of Caribbean Utilities Company, Ltd.

Caribbean Utilities Company, Ltd. ("CUC" or the "Company") is issuing to the holders ("Shareholders") of its Class A Ordinary Shares of record as at the close of business on July 14, 2008 (the "Record Date") rights (the "Rights") to subscribe for and purchase from the Company an aggregate of approximately 2,544,518 Class A Ordinary Shares, at a price (the "Subscription Price") per Class A Ordinary Share equal to US\$11.09 on the terms set forth herein (the "Offering"). Each Shareholder of record on the Record Date will receive one Right for each Class A Ordinary Share held. Each ten (10) Rights entitle the holder (other than Ineligible Shareholders (as hereinafter defined)) to acquire one Class A Ordinary Share upon payment of the Subscription Price. The Rights have been approved for listing on the Toronto Stock Exchange (the "TSX") under the trading symbol "CUP.RT" and are fully transferable on the TSX. The TSX has also approved the listing of the Class A Ordinary Shares issuable on the exercise of the Rights. Trading in the Rights on the TSX will cease at 12:00 noon (Toronto time) on August 15, 2008. Holders of Rights who exercise their Rights in full are entitled to subscribe for additional Class A Ordinary Shares pursuant to the Additional Subscription Privilege defined and described herein.

The Rights may be exercised commencing on July 15, 2008 (the "Commencement Date") and the Rights will expire at 4:00 p.m. (Toronto time) (the "Expiration Time") on August 15, 2008 (the "Expiration Date"). **Rights not exercised at or before the Expiration Time will be void and of no value.**

The Company has a stand-by commitment agreement with Fortis Energy (Bermuda) Ltd. for the purchase of all Class A Ordinary Shares not otherwise subscribed for and purchased on the exercise of Rights pursuant to the Basic Subscription Privilege (as hereinafter defined) and the Additional Subscription Privilege (as hereinafter defined). See "Stand-by Commitment".

The Company's registered and principal office is located at 457 North Sound Road, George Town, Grand Cayman, Cayman Islands. The mailing address of the Company is P.O. Box 38, Grand Cayman KY1-1101, Cayman Islands.

Record Date:	July 14, 2008
Expiration Time:	4:00 p.m. (Toronto time) on August 15, 2008.
Subscription Price:	US\$11.09, per Class A Ordinary Share.
Basic Subscription Privilege:	Each Shareholder of record on the Record Date that is an Eligible Shareholder (as hereinafter defined) is entitled to receive one Right for each Class A Ordinary Share held. Every ten (10) Rights held by an Eligible Shareholder will entitle such holder to subscribe for one Class A Ordinary Share at the Subscription Price of US\$11.09 per Class A Ordinary Share. See “Basic Subscription Privilege”. Rights issued to, and that would otherwise be received by, Ineligible Shareholders will be delivered to and held on their behalf by the Subscription Agent. See “Shareholders Outside of the Qualified Jurisdictions”.
Eligible Shareholders:	Each Shareholder of record on the Record Date (i) with an address of record in the Cayman Islands or any Province of Canada (collectively, the “Qualified Jurisdictions”); or (ii) that is a direct or indirect Shareholder with an address of record in the United States and who is an “accredited investor” within the meaning of Rule 501(a) of Regulation D promulgated under the 1933 Act (“Accredited Investor”), and who certifies to the Company that it is an Accredited Investor (each an “Approved U.S. Accredited Investor”); or (iii) who is a securityholder or transferee outside the Qualified Jurisdictions and the United States which satisfies the Company that such offering to and subscription by such securityholder or transferee is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such securityholder or transferee is resident (each an “Additional Eligible Investor”). Residents of the Qualified Jurisdictions, Approved U.S. Accredited Investors and Additional Eligible Investors are referred to collectively as “Eligible Shareholders”.
Additional Subscription Privilege:	Persons who subscribe in full under the Basic Subscription Privilege may also subscribe for additional Class A Ordinary Shares not subscribed for under the Basic Subscription Privilege, if any, on the basis set forth herein. See “Additional Subscription Privilege”.
Stand-By Commitment:	Fortis Energy (Bermuda) Ltd. (“Fortis Bermuda”) has agreed that it shall subscribe for and purchase at the Subscription Price, all Class A Ordinary Shares not otherwise subscribed for and purchased on the exercise of Rights pursuant to the Basic Subscription Privilege and the Additional Subscription Privilege. See “Stand-by Commitment”.
Number of Rights:	On June 19, 2008, 25,445,182 Class A Ordinary Shares of the Company were issued and outstanding. Accordingly (based on the current number of outstanding Class A Ordinary Shares), it is expected that approximately 25,445,182 Rights will be issued by the Company on the Record Date.
Maximum Number of Class A Ordinary Shares Issuable:	Approximately 2,544,518 Class A Ordinary Shares (based on the current number of outstanding Class A Ordinary Shares), assuming the exercise of all Rights issued pursuant to the Offering. There is no minimum number of Class A Ordinary Shares issuable pursuant to the Offering.
Net Proceeds to the Issuer:	Approximately US\$27,919,000, after deduction of estimated expenses of US\$300,000, assuming full subscription.

SUBSCRIPTIONS FOR CLASS A ORDINARY SHARES MADE IN CONNECTION WITH THIS OFFERING WILL BE IRREVOCABLE AND SUBSCRIBERS WILL BE UNABLE TO WITHDRAW THEIR SUBSCRIPTIONS FOR CLASS A ORDINARY SHARES ONCE SUBMITTED.

Certificates representing the Rights (“Rights Certificates”) will be delivered by the Company only to Shareholders who are residents of the Qualified Jurisdictions and to Approved U.S. Accredited Investors. Certain additional

investors outside of the Qualified Jurisdictions and the United States may also be provided with rights certificates upon the Company being satisfied of their eligibility to subscribe for Class A Ordinary Shares pursuant to the Offering, as described below (such investors being defined as “Additional Eligible Investors”). Shareholders will be presumed to be resident in the place of their registered address unless the contrary is shown to the satisfaction of the Company. Rights Certificates will not be mailed to, and subscriptions will not be accepted from, any holder of outstanding Class A Ordinary Shares as of the Record Date who is not an Eligible Shareholder. Rights and Rights Certificates in respect of Class A Ordinary Shares held by shareholders who are not Eligible Shareholders (“Ineligible Shareholders”) will be issued to and held by CIBC Mellon Trust Company (the “Subscription Agent”) as agent for the benefit of registered Ineligible Shareholders. The Subscription Agent will hold the Rights of registered Ineligible Shareholders until August 5, 2008 (ten days before the Expiration Time) in order to give any beneficial holders outside of the United States an opportunity to claim their Rights Certificate(s) by satisfying the Company that the issue of Class A Ordinary Shares pursuant to the exercise of Rights will be in compliance with all securities and other laws in the applicable jurisdiction where the securityholder or transferee is resident. Following such date, the Subscription Agent, for the account of such registered Ineligible Shareholders, will, prior to the Expiration Time, attempt to sell the Rights issued to such registered Ineligible Shareholders and evidenced by Rights Certificates in the possession of the Subscription Agent on such date or dates and at such price or prices as the Subscription Agent shall determine in its sole discretion, which may include an attempt to sell by giving a broker a direction to sell at market or at such prices as such broker determines in its discretion.

SHAREHOLDERS THAT HOLD THEIR SHARES INDIRECTLY, INCLUDING THROUGH A BROKER, CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) OR A PARTICIPANT IN THE CDS SYSTEM (A “CDS PARTICIPANT”) SHOULD CONTACT THE BROKER, CDS OR THE CDS PARTICIPANT TO DETERMINE HOW RIGHTS MAY BE EXERCISED. PLEASE NOTE THAT BROKERS AND OTHER CDS PARTICIPANTS WILL HAVE AN EARLIER DEADLINE FOR RECEIPT OF INSTRUCTIONS AND PAYMENT THAN THE EXPIRATION TIME ON THE EXPIRATION DATE. ANY SUCH INDIRECT SHAREHOLDERS THAT ARE RESIDENTS OF THE UNITED STATES MUST ALSO BE AN APPROVED U.S. ACCREDITED INVESTOR.

IF A SHAREHOLDER ELECTS NOT TO EXERCISE THE RIGHTS ISSUED TO THE SHAREHOLDER HEREUNDER, OR ELECTS TO SELL THOSE RIGHTS, THE VALUE OF THE CLASS A ORDINARY SHARES CURRENTLY HELD BY THAT SHAREHOLDER MAY BE DILUTED AS A RESULT OF THE EXERCISE OF RIGHTS BY OTHERS.

The Company has not retained a manager to form a soliciting dealer group to solicit the exercise of Rights and the Company will not pay any commission, fee or other remuneration to any person in connection with the obtaining of subscriptions for Class A Ordinary Shares pursuant to the exercise of Rights.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this rights offering circular under “Caribbean Utilities Company, Ltd.” in addition to certain statements contained elsewhere in this document are “forward-looking statements” Forward-looking statements include statements that are predictive in nature, depend on future events or conditions, or include words such as “expects”, “anticipates”, “plan”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “schedule”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “should”, “would” and “could”. Forward-looking statements are based on underlying assumptions by their very nature and are subject to certain risks and uncertainties that may cause actual results to vary from plans, targets and estimates. Such assumptions, risks and uncertainties include but are not limited to general economic, market and business conditions, regulatory developments and weather conditions. CUC cautions readers that actual results, including the completion of the offering of the Rights, the effect of the Offering on the dividend rate on the Class A Ordinary Shares, the cost for the purchase and turnkey installation of the 16 megaWatt V48/60 medium-speed diesel generating unit and auxiliary equipment and the commission date for the 16 megaWatt V48/60 medium-speed diesel generating unit, may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CURRENCY

Unless otherwise indicated, all references herein to “\$” or “US\$” are to United States dollars and all reference to “Cdn\$” are to Canadian dollars. The closing rate of exchange, as reported by the Bank of Canada, for conversion of US dollars into Canadian dollars was Cdn.\$1.0152 per US\$1.00 on June 19, 2008.

FOREIGN JURISDICTION

CUC is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and is not resident in Canada. Although CUC has appointed Blake, Cassels & Graydon LLP at 199 Bay Street, Suite 2800, Toronto, Ontario, M5L 1A9 as its agent for service of process in Canada it may not be possible for investors to enforce judgments obtained in Canada against CUC.

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SUMMARY OF RIGHTS OFFERING

The Issue:	Rights to subscribe for one Class A Ordinary Share for every ten (10) Rights held.
Record Date:	July 14, 2008.
Commencement Date:	July 15, 2008.
Expiration Time:	4:00 p.m. (Toronto time) on August 15, 2008.
Basic Subscription Privilege:	Each Shareholder of record on the Record Date that is an Eligible Shareholder is entitled to receive one Right for each Class A Ordinary Share held. Every ten Rights held by an Eligible Shareholder will entitle such holder to subscribe for one Class A Ordinary Share at the Subscription Price of US\$11.09 per Class A Ordinary Share. See "Basic Subscription Privilege". Rights issued to, and that would otherwise be received by, Ineligible Shareholders will be delivered to and held on their behalf by the Subscription Agent. See "Shareholders Outside of the Qualified Jurisdictions".
Eligible Shareholders:	Each Shareholder of record on the Record Date (i) with an address of record in the Cayman Islands or any Province of Canada (collectively, the "Qualified Jurisdictions"); or (ii) that is a direct or indirect Shareholder with an address of record in the United States and who is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the 1933 Act ("Accredited Investor"), and who certifies to the Company that it is an Accredited Investor (each an "Approved U.S. Accredited Investor"); or (iii) who is a securityholder or transferee outside of the Qualified Jurisdictions and the United States which satisfies the Company that such offering to and subscription by such securityholder or transferee is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such securityholder or transferee is resident (each an "Additional Eligible Investor"). Residents of the Qualified Jurisdictions, Approved U.S. Accredited Investors and Additional Eligible Investors are referred to collectively as "Eligible Shareholders".
Subscription Price:	US\$11.09 per Class A Ordinary Share.
Additional Subscription Privilege:	Persons who subscribe in full under the Basic Subscription Privilege may also subscribe for additional Class A Ordinary Shares not subscribed for under the Basic Subscription Privilege, if any, on the basis set forth herein. See "Additional Subscription Privilege".
Stand-by Commitment:	Fortis Energy (Bermuda) Ltd. ("Fortis Bermuda") has agreed that it shall subscribe for and purchase at the Subscription Price all Class A Ordinary Shares not otherwise subscribed for and purchased on the exercise of Rights pursuant to the Basic Subscription Privilege and the Additional Subscription Privilege. See "Stand-by Commitment".
Maximum Number of Class A Ordinary Shares Issuable:	Approximately 2,544,518 (based on the current number of outstanding Class A Ordinary Shares), assuming the exercise of all Rights issued pursuant to the Offering, including pursuant to the Additional Subscription Privilege. There is no minimum number of Class A Ordinary Shares issuable pursuant to this Offering.
Maximum Net Proceeds from the Offering:	Approximately US\$27,919,000 after deduction of expenses of the Offering which are estimated at US\$300,000.
Listing:	The Rights will be listed and posted for trading on the TSX until 12:00 noon (Toronto time) on the Expiration Date. The TSX has approved the listing of the Rights and the Class A Ordinary Shares issuable on the exercise of the Rights.
Use of Proceeds:	The net proceeds from the subscriptions for Class A Ordinary Shares offered hereunder will be used to repay approximately US\$18.5 million of indebtedness, and the balance for capital projects. See "Use of Proceeds".

The foregoing is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this rights offering circular. Please refer to the "Glossary" on page 11 of this rights offering circular for a list of certain defined terms used in this rights offering circular.

CARIBBEAN UTILITIES COMPANY, LTD.

Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) was incorporated under the laws of the Cayman Islands and commenced operations on April 30, 1966. The Company’s registered and principal office is located at 457 North Sound Road, George Town, Grand Cayman, Cayman Islands. The mailing address of the Company is P.O. Box 38, Grand Cayman KY1-1101, Cayman Islands, and its website address is www.cuc-cayman.com.

Description of the Business

The Company operates the only public electric utility on Grand Cayman, Cayman Islands pursuant to the following licenses from the Government of the Cayman Islands (“Government”): (i) an exclusive electricity transmission and distribution licence dated April 3, 2008, (the “T&D Licence”); and (ii) a non-exclusive electricity generation licence dated April 3, 2008 (the “Generation Licence”). The T&D Licence is for an initial term of 20 years with a provision for automatic renewal unless either party gives notice to terminate. The Generation licence is for a term of 21.5 years.

Recent Developments

On April 21, 2008, the Company announced that it had entered into a project agreement with its generation strategic alliance partner, MAN Diesel SE (“MAN SE”) of Germany, for the purchase and turnkey installation of one 16 megaWatt V48/60 medium-speed diesel generating unit and auxiliary equipment. The Company estimates that this project will cost the Company approximately US\$24.3 million to complete. The generating unit will be housed at the Company’s North Sound Plant and is expected to be commissioned in summer 2009.

The Company entered a 10-year strategic alliance agreement with MAN SE in 1998 to design and install diesel generating units on a turnkey basis for the Company’s generation expansion programme. The strategic alliance provides the Company with “most preferred customer” pricing as well as other advantages associated with improved design and construction. The Company has installed three 12.25 megaWatt V48/60 medium-speed diesel generating units, a 16 megaWatt V48/60 medium-speed diesel generating unit and an 8.4 megaWatt gas turbine unit with MAN SE since 2000.

On May 27, 2008, the Company announced its unaudited financial results for the three months and twelve months ended April 30, 2008. On April 30, 2008, the Company had a working capital deficiency arising from the utilization of short-term debt through its credit facility agreement with a Canadian chartered bank. Net proceeds from this Offering will be used in part to repay the Company’s short-term debt of US\$8 million and the current portion of the Company’s long-term debt of US\$10.5 million. See “Use of Proceeds”.

For further information about the business and operations of the Company, including the Company’s Annual Information Form dated July 25, 2007, and the Company’s unaudited financial statements for the three months and twelve months ended April 30, 2008 and management’s discussion and analysis thereof, please refer to the continuous disclosure documents filed by the Company with Canadian securities regulatory authorities at www.sedar.com.

Dividends

Holders of the Class A Ordinary Shares are entitled to dividends if, as and when declared by the board of directors of the Company (the “Board of Directors”).

Class A Ordinary Share dividends are normally paid in March, June, September and December. The most recent Class A Ordinary Share dividend was paid in June 2008 at the rate of US\$0.165 per share. Dividends have been paid on the Class A Ordinary Shares each quarter since 1984 with the exception of December 2004, when the Board of Directors elected not to declare a dividend in consideration of the impact of Hurricane Ivan on the cash flow of the Company. Regular quarterly dividend payments on the Class A Ordinary Shares resumed in March 2005.

The Board of Directors and management of the Company anticipate that, assuming the issuance and sale of all Class A Ordinary Shares available under the Offering as contemplated herein and subject to the business risks of the Company, including those described in Section 4 of the Company’s Annual Information Form dated July 25, 2007,

and general economic, market and business conditions, the completion of the Offering would not have an adverse effect on the per share dividend rate most recently paid by the Company on the Class A Ordinary Shares. The declaration of dividends is in the discretion of the Board of Directors.

DETAILS OF THE OFFERING

Issue of Rights

Shareholders of the Company at the close of business on the Record Date are entitled to receive Rights on the basis of one Right for each Class A Ordinary Share held on such date. The Rights permit the holders thereof to subscribe for and purchase from the Company an aggregate of approximately 2,544,518 Class A Ordinary Shares (based on the current number of outstanding Class A Ordinary Shares). The Rights are fully transferable by the holders thereof, except to Ineligible Shareholders. See “Sale or Transfer of Rights” and “Statement as to Resale Restrictions”.

Subscription Basis

Each ten (10) Rights entitle a holder thereof that is an Eligible Shareholder to subscribe for one Class A Ordinary Share at a Subscription Price of US\$11.09 per Class A Ordinary Share, all as described below under “Basic Subscription Privilege”. Fractional Class A Ordinary Shares will not be issued and a Shareholder holding a total number of Rights not equally divisible by ten will not be entitled to subscribe for an additional Class A Ordinary Share with any remainder of less than ten Rights.

Certificates representing the Rights (the “Rights Certificates”), together with a copy of this rights offering circular, are being mailed to holders of record in the Qualified Jurisdictions and to Approved U.S. Accredited Investors. Rights Certificates will not be mailed to, and subscriptions will not be accepted from, holders who are not Eligible Shareholders. See “Ineligible Shareholders”.

TIME AND DATE OF EXPIRATION

The Rights will be eligible for exercise on and following the Commencement Date and will expire at 4:00 p.m. (Toronto time) on the Expiration Date (the “Expiration Time”). Holders who exercise their Rights pursuant to the terms and conditions contained herein will not become a shareholder of record until shortly following the Expiration Date. **RIGHTS NOT EXERCISED BY THE EXPIRATION TIME ON THE EXPIRATION DATE WILL BE VOID.**

SUBSCRIPTION AGENT AND TRANSFER AGENT

CIBC Mellon Trust Company (the “Subscription Agent”) has been appointed: (i) to receive subscriptions and payments for the Class A Ordinary Shares and Additional Class A Ordinary Shares (as hereinafter defined) subscribed for under the Basic Subscription Privilege and the Additional Subscription Privilege, respectively; and (ii) to perform the services relating to the exercise and transfer of the Rights. The Company will pay for all such services of the Subscription Agent.

HOW TO EXERCISE THE RIGHTS

1. **Complete and sign Form 1 on the Rights Certificate.** The maximum number of Rights which initially may be exercised is shown in the box on the upper right hand corner of the face of the Rights Certificate. If Form 1 is completed so as to exercise some but not all of the Rights evidenced by the Rights Certificate, the holder of the Rights Certificate will be deemed to have waived the unexercised balance of such Rights, unless the Subscription Agent or, at the discretion of a Rights holder resident in the Cayman Islands, the Company is otherwise specifically advised by such holder at the time the Rights Certificate is surrendered to the Subscription Agent or, the Company, as the case may be. Form 1 includes a representation that the holder is an Eligible Shareholder. Rights may not be exercised by Ineligible Shareholders.

2. **Optional.** Complete and sign Form 2 on the Rights Certificate only if you also wish to participate in the Additional Subscription Privilege. See “Additional Subscription Privilege”.

3. **Enclose payment in U.S. funds by certified cheque, bank draft or money order payable to the order of CIBC Mellon Trust Company, or if delivered to the Company, payable to the order of Caribbean Utilities Company, Ltd.** The amount of payment will be US\$11.09 per Class A Ordinary Share. Payment must also be included for any Class A Ordinary Shares subscribed for under the Additional Subscription Privilege.

4. **Delivery.** Deliver or mail the completed Rights Certificate and payment in the enclosed return envelope addressed to the Subscription Agent or, at the discretion of a Rights holder resident in the Cayman Islands, to the Company so that it is received by the office of the Subscription Agent set forth below or by the Company at its address set forth below, respectively, before the Expiration Time. If mailing, registered mail is recommended. Please allow sufficient time to avoid late delivery. The signature of the Rights Certificate holder must correspond in every particular with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription will be determined by the Company in its sole discretion, and any determination by the Company will be final and binding on the Company and its securityholders. Subscriptions are irrevocable. The Company reserves the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Class A Ordinary Shares pursuant thereto could be unlawful. The Company also reserves the right to waive any defect in respect of any particular subscription. None of the Board of Directors, the Company or the Subscription Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will they be liable for the failure to give any such notice.

In many cases, holders of Rights may have their Rights registered either: (i) in the name of an intermediary that such holder deals with in respect of its Class A Ordinary Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant (such as a CDS Participant in the case of CDS Clearing and Depository Services Inc.). Such holders of Rights should carefully follow the instructions of their intermediary in order to exercise their Rights, including instructions regarding when and where the subscription form and Subscription Price are to be delivered.

If a Rights holder is unsure how to subscribe, that person should contact his or her investment dealer, stock broker or the Subscription Agent or any member firm of the Investment Dealers Association of Canada, or other qualified professional advisor.

BASIC SUBSCRIPTION PRIVILEGE

To determine the maximum whole number of Class A Ordinary Shares for which subscription may be made under the Offering, divide the number of Rights by ten (10) (the “Basic Subscription Privilege”).

Eligible Shareholders may subscribe for the resulting whole number of Class A Ordinary Shares (fractions being rounded down to the next whole number) or any lesser whole number of Class A Ordinary Shares by instructing the Subscription Agent or, at the discretion of an Eligible Shareholder resident in the Cayman Islands, the Company, by delivery of such holder’s duly completed and executed Rights Certificate, or by instructing the CDS Participant holding the subscriber’s Rights, as applicable, to exercise all or a specified number of such Rights and forwarding the Subscription Price for each Class A Ordinary Share to the party so instructed. Ineligible Shareholders will not be permitted to exercise their Rights to subscribe for any Class A Ordinary Shares.

The full Subscription Price must be received by the Subscription Agent, or, at the discretion of an Eligible Shareholder resident in the Cayman Islands, the Company, or the CDS Participant, as applicable, sufficiently in advance of the Expiration Date to permit the proper exercise of the Rights.

If mail is used for delivery of subscription funds, for the protection of the subscriber, certified mail return receipt requested should be used and sufficient time should be allowed to avoid the risk of late delivery.

The Subscription Price is payable in U.S. funds by certified cheque, bank draft or money order drawn to the order of the Subscription Agent at the address below by registered Shareholders, or the CDS Participant by beneficial Shareholders or, at the discretion of a Rights holder resident in the Cayman Islands, the Company at the address below. All payments by registered Shareholders not resident in the Cayman Islands must be forwarded to the Subscription Agent. Registered Shareholders resident in the Cayman Islands may, at their discretion, forward payments to either the Company at the address below or the Subscription Agent at the address below. All payments by beneficial Shareholders must be forwarded to the offices of a CDS Participant. The entire Subscription Price for Class A Ordinary Shares subscribed for must be paid at the time of subscription.

Subscriptions for Class A Ordinary Shares made in connection with this Offering will be irrevocable and subscribers will be unable to withdraw their subscriptions for Class A Ordinary Shares once submitted.

ADDITIONAL SUBSCRIPTION PRIVILEGE

Each Rights holder who is an Eligible Shareholder and who has initially subscribed for all of the Class A Ordinary Shares to which he or she is entitled pursuant to the Basic Subscription Privilege has the right to subscribe for additional Class A Ordinary Shares, if available, at a price equal to the Subscription Price for each additional Class A Ordinary Share (collectively, the “Additional Class A Ordinary Shares”).

The number of Additional Class A Ordinary Shares available for all additional subscriptions will be the difference, if any, between the number of Class A Ordinary Shares issuable upon the exercise of Rights and the total number of Class A Ordinary Shares subscribed for pursuant to the Basic Subscription Privilege at the Expiration Time on the Expiration Date (the “Additional Subscription Privilege”). Subscription for Additional Class A Ordinary Shares will be received subject to allotment only and the number of Additional Class A Ordinary Shares, if any, which may be allotted to each subscriber will be equal to the lesser of: (a) the number of Additional Class A Ordinary Shares which that subscriber has subscribed for under the Additional Subscription Privilege; and (b) the product (rounded down to the next whole number in the event of a fraction) obtained by multiplying the total number of Additional Class A Ordinary Shares by a fraction, the numerator of which is the number of Rights exercised by that subscriber under the Basic Subscription Privilege and the denominator of which is the aggregate number of Rights exercised under the Basic Subscription Privilege by all subscribers under the Additional Subscription Privilege. If any Rights holder has subscribed for fewer Additional Class A Ordinary Shares than such holder’s *pro rata* allotment of Additional Class A Ordinary Shares, the excess Additional Class A Ordinary Shares will be allotted in a similar manner among the subscribers who were allotted fewer Additional Class A Ordinary Shares than they subscribed for.

To apply for Additional Class A Ordinary Shares under the Additional Subscription Privilege, holders of Rights must forward their request to the Subscription Agent or, at the discretion of a Rights holder resident in the Cayman Islands, the Company by delivery of such holder’s duly completed and executed Rights Certificate, or the CDS Participant holding the subscriber’s Rights, as applicable, prior to the Expiration Time on the Expiration Date. Payment for Additional Class A Ordinary Shares, in the same manner as for the Basic Subscription Privilege, must accompany the request when it is delivered to the Subscription Agent, the CDS Participant holding the subscriber’s rights or, at the discretion of a Rights holder resident in the Cayman Islands, the Company, as the case may be, and such payment must be received by the Subscription Agent or the Company or the CDS Participant holding the subscriber’s Rights, as the case may be, prior to the Expiration Time on the Expiration Date (however a CDS Participant may require such funds to be deposited well in advance of the Expiration Time; a holder holding Rights through a CDS Participant or intermediary should contact such CDS Participant or intermediary well in advance of the Expiration Date to confirm payment details) failing which the subscriber’s entitlement to such Additional Class A Ordinary Shares shall terminate. Any excess funds will be returned by mail, or credited to a subscriber’s account with the Subscription Agent without interest or deduction.

SALE OR TRANSFER OF RIGHTS

The Rights will be listed and posted for trading on the Exchange until 12:00 noon (Toronto time) on the Expiration Date. Holders of Rights Certificates not wishing to exercise their Rights may sell or transfer them directly or through their stockbroker or investment dealer at the holder’s expense, subject to any applicable resale restrictions. Rights Certificates will not be registered in the name of an Ineligible Shareholder. See “Statement as to Resale Restrictions”. Holders of Rights Certificates may elect to exercise a part only of their Rights and dispose of the

remainder by giving notice to the Subscription Agent, or at the discretion of a Rights holder resident in the Cayman Islands, the Company, or the CDS Participant holding the subscriber's Rights, as the case may be, of such holder's intention to do so when giving instructions to the applicable party with respect to the exercise of less than all of their Basic Subscription Privilege, or dispose of all of their Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Subscription Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

To transfer the Rights, complete Form 3 (the "Transfer Form") on the Rights Certificate, have the signature guaranteed by an "eligible institution" to the satisfaction of the Subscription Agent and deliver the Rights Certificate to the transferee. For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the New York Stock Exchange Medallion Signature Program (MSP) whose participants include New York Stock Exchange member firms, or a member of the Stock Exchange Medallion Program (SEMP). Members of these programs are usually members of a recognized stock exchange in Canada or the U.S. or members of the Investment Dealers Association of Canada. For purposes of holders of Rights resident in the Cayman Islands, an eligible institution also means a bank in the Cayman Islands.

It is not necessary for a transferee to obtain a new Rights Certificate to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular with the name of the transferee shown on the Transfer Form. If the Transfer Form is properly completed, the Company and the Subscription Agent will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the Rights Certificate for all purposes and will not be affected by notice to the contrary. A Rights Certificate so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Trading in Rights on the TSX will terminate at 12:00 noon (Toronto time) on the Expiration Date.

DIVISION OR COMBINATION OF RIGHTS CERTIFICATES

A Rights Certificate may be divided, combined or exchanged by completing and executing Form 4 on the Rights Certificate and delivering the Rights Certificate to the Subscription Agent or, at the discretion of an Eligible Shareholder resident in the Cayman Islands, the Company. The Subscription Agent will then issue new Rights Certificates in any denominations (totalling the same number of Rights as are evidenced by the Rights Certificate being divided, exchanged or combined) as are requested by the holder. Rights Certificates must be surrendered for division, combination or exchange by such date as will permit new Rights Certificates to be issued in accordance with the customary and reasonable procedures of the Company and the Subscription Agent and used by the holder thereof prior to the Expiration Time on the Expiration Date.

STATEMENT AS TO RESALE RESTRICTIONS

Securities legislation in Canada restricts the ability of a holder to trade the Rights, and the Class A Ordinary Shares issued on exercise of the Rights, without certain conditions having been fulfilled or applicable prospectus requirements having been complied with. The following is a general summary of these provisions governing the first trades in the Rights and the Class A Ordinary Shares issued on exercise of the Rights in the jurisdictions in Canada in which this Offering is being made. Additional restrictions apply to "insiders" of the Company and holders of securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Company for purposes of applicable securities legislation. **However, each holder is urged to consult his professional advisors to determine the exact conditions and restrictions applicable to such right to trade in securities.**

Rights offered to holders in the Qualified Jurisdictions and the Class A Ordinary Shares issuable on exercise of such Rights may be resold without hold period restrictions under applicable securities laws in Canada by such holders on the TSX provided that: (i) the sale is not by a "control person" of the Company; (ii) no unusual effort is made to prepare the market or create a demand for the Class A Ordinary Shares being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling

securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of securities legislation. **Neither the Rights nor the Class A Ordinary Shares issuable on exercise of the Rights have been or will be registered under the 1933 Act, and they may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act.**

REGISTRATION AND DELIVERY OF CLASS A ORDINARY SHARE CERTIFICATES

Certificates for Class A Ordinary Shares issued on exercise of Rights in accordance with the Offering will be registered in the name of the person to whom the Rights Certificate was issued or to whom the Rights were transferred in accordance with the terms thereof, and mailed to the address of the subscriber for the Class A Ordinary Shares as stated on the Rights Certificate, unless otherwise directed, as soon as practicable after the Expiration Time.

STAND-BY COMMITMENT

On June 20, 2008, the Company entered into a Stand-By Agreement (the “Stand-By Agreement”) with Fortis Energy (Bermuda) Ltd. (“Fortis Bermuda”) providing for a stand-by commitment relating to the subscription for Class A Ordinary Shares under the Offering. The Stand-By Agreement provides that Fortis Bermuda will take up and pay for, at the Subscription Price of US\$11.09 per Class A Ordinary Share, all Class A Ordinary Shares not otherwise subscribed for and purchased on the exercise of Rights pursuant to the Basic Subscription Privilege and the Additional Subscription Privilege. The obligations of Fortis Bermuda under the stand-by commitment are conditional on satisfaction or performance of customary representations, warranties and covenants and, in particular, subject to termination at the option of Fortis Bermuda upon the occurrence of a material adverse change in the affairs of the Company or a disaster affecting the financial markets in Canada, or the business of the Company. Fortis Bermuda held approximately 54% of the outstanding Class A Ordinary Shares of the Company on June 19, 2008. See “Ownership of Securities”. As a result of participation in the Offering and pursuant to the Stand-By Agreement, this percentage interest may be increased.

INELIGIBLE SHAREHOLDERS

Rights Certificates will not be delivered to Ineligible Shareholders and subscriptions will not be accepted from or on behalf of Ineligible Shareholders or any person who appears to be, or who the Company or the Subscription Agent has reason to believe is, an Ineligible Shareholder.

Beneficial owners of outstanding Class A Ordinary Shares that are outside the Qualified Jurisdictions and the United States and who wish to be recognized as Eligible Shareholders and who believe that their Rights Certificates may have been delivered to the Subscription Agent (as contemplated below) should contact the Subscription Agent well in advance of 10 days prior to the Expiration Date to have their Rights Certificates mailed to them.

Ineligible Shareholders should refer to the section below, “Shareholders Outside of Qualified Jurisdictions”, for a description of how Rights issued to them in respect of their shareholding are to be treated. Shareholders who are uncertain as to whether they are Eligible Shareholders or Ineligible Shareholders should contact the Company, the registered holder of the Class A Ordinary Shares in which they have an interest or their broker or financial advisor well in advance of 10 days prior to the Expiration Date.

SHAREHOLDERS OUTSIDE OF THE QUALIFIED JURISDICTIONS

This rights offering circular constitutes an offering of securities of the Company only (i) in the Qualified Jurisdictions, (ii) to Approved U.S. Accredited Investors and (iii) to Additional Eligible Investors, as described below. The Rights and Class A Ordinary Shares issuable upon exercise of the Rights have not been and will not be registered under the 1933 Act, and may not be offered or sold in the United States except to Approved U.S. Accredited Investors. This rights offering circular has not been filed with the securities commission or similar regulatory authority of any jurisdictions other than the Provinces of Canada.

Neither the Company or the Subscription Agent will accept subscriptions for Class A Ordinary Shares from any securityholder or from any transferee of Rights who is or appears to be, or who the Company or the Subscription

Agent have reason to believe is, a resident of any jurisdiction or place other than the Qualified Jurisdictions and that is not an Approved U.S. Accredited Investor, unless such securityholder or transferee is outside the United States and satisfies the Company that the subscription by such securityholder or transferee is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such securityholder or transferee is resident, in which case such securityholder or transferee shall qualify as an "Additional Eligible Investor".

A shareholder whose address of record is outside the Qualified Jurisdictions and the United States but who is an Eligible Shareholder or who holds Class A Ordinary Shares on behalf of a holder who is an Eligible Shareholder must notify the Company and the Subscription Agent, in writing, on or before the tenth day prior to the Expiration Time if such holder or beneficial holder wishes to subscribe for Class A Ordinary Shares pursuant to the terms of the Offering.

Rights Certificates will not be delivered by the Company to Shareholders who are residents of any jurisdiction other than the Qualified Jurisdictions or are not Approved U.S. Accredited Investors except that Additional Eligible Investors will be provided with Rights Certificates upon the Company being satisfied of their eligibility to subscribe for Class A Ordinary Shares pursuant to the terms of the Offering. Shareholders will be presumed to be resident in the place of their registered address unless the contrary is shown to the satisfaction of the Company. Rights and Rights Certificates in respect of Class A Ordinary Shares held by Shareholders who are residents of any jurisdiction other than the Qualified Jurisdictions and who are not Approved U.S. Accredited Investors or Additional Eligible Investors (collectively, "Ineligible Shareholders") will be issued to and held by the Subscription Agent as agent for the benefit of registered Ineligible Shareholders. The Subscription Agent will hold the Rights of Ineligible Shareholders until August 5, 2008 (ten days before the Expiration Time) in order to give beneficial holders outside the Qualified Jurisdictions and the United States an opportunity to claim their Rights Certificate(s) by satisfying the Company that the issue of Class A Ordinary Shares pursuant to the exercise of Rights will not be in violation of the laws of the applicable jurisdiction. Following such date, the Subscription Agent, for the account of registered Ineligible Shareholders, will, prior to the Expiration Time, attempt to sell the Rights issued to such registered Ineligible Shareholders and evidenced by Rights Certificates in the possession of the Subscription Agent on such date at such price or prices as the Subscription Agent shall determine in its sole discretion.

No charge will be made for the sale of the Rights of Ineligible Shareholders by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and the costs of or incurred by the Subscription Agent in connection with the sale of the Rights. Ineligible Shareholders will not be entitled to instruct the Subscription Agent in respect of the price or the time at which the Rights are to be sold. The Subscription Agent will endeavour to effect sales of Rights on the open market and any proceeds received by the Subscription Agent with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, of the Canadian tax required to be withheld, will be divided on a *pro rata* basis among all Ineligible Shareholders and delivered by mailing cheques (in U.S. funds) drawn on account of the Subscription Agent therefor as soon as practicable to such Ineligible Shareholders at their addresses recorded on the books of the Company. Amounts of less than US\$5.00 will not be remitted. The Subscription Agent will act in its capacity as agent of the Rights holders on a commercially reasonable basis only and the Company and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any Ineligible Shareholder. Neither the Company nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of Ineligible Shareholders or as a result of the sale of any Rights at a particular price or on a particular day.

DELIVERY OF SHARE CERTIFICATES

Certificates for the Class A Ordinary Shares subscribed for in accordance with this offer will be mailed to the address of subscribers as stated on their Rights Certificate as soon as practicable following the Expiration Date. Certificates for Class A Ordinary Shares will only be mailed to addresses in the Qualified Jurisdictions or to other Eligible Shareholders.

DESCRIPTION OF THE CLASS A ORDINARY SHARES

CUC is authorized to issue 60,000,000 Class A Ordinary Shares of nominal or par value of C\$0.05. As of June 18, 2008, CUC has an aggregate of 25,445,182 Class A Ordinary Shares issued and outstanding.

The holders of the Class A Ordinary Shares are entitled to:

- (a) vote on each matter at the Annual General Meeting of CUC on the basis of one vote per Class A Ordinary Share;
- (b) receive dividends if, as and when declared by the Board of Directors; and
- (c) on a return of assets on liquidation or otherwise the assets of the Company available for distribution amongst the shareholders shall be applied in repaying to the holders of the Class A Ordinary Shares in proportion to the amounts paid up on the Class A Ordinary Shares by them respectively but only after the par value and any premium paid on the Class B Preference Shares of the Company, Class C Preference Shares of the Company, and Class D Preference Shares of the Company, have been paid to the holders of such Class B, Class C and Class D Preference Shares, together with any accrued and unpaid dividends to the date of payment.

Rights of holders of Class A Ordinary Shares of CUC are prescribed by CUC's memorandum and articles of association which are governed by the laws of the Cayman Islands.

STOCK EXCHANGE LISTING

The outstanding Class A Ordinary Shares of the Company are listed on the TSX under the symbol "CUP.U". The TSX has approved the listing and posting for trading of the Rights offered pursuant to this Offering under the trading symbol "CUP.RT" and has approved the listing of the Class A Ordinary Shares to be issued upon the exercise of the Rights.

USE OF PROCEEDS

The approximate net proceeds to be derived by the Company from the subscription by the Shareholders, if all Class A Ordinary Shares issuable on the exercise of Rights are subscribed for and taken up are estimated to be approximately US\$27,919,000 after deduction of estimated expenses of this Offering of US\$300,000. The Company will use the net proceeds of this issue as follows:

- approximately US\$18.5 million to repay indebtedness under the Company's credit facility with a Canadian chartered bank, which indebtedness was incurred:
- as to approximately US\$8.0 million to provide short-term bridge financing for capital projects of the Company; and
- as to approximately US\$10.5 million to repay indebtedness for the current portion of the following long-term debt of the Company, which indebtedness was incurred to finance capital projects of the Company: the 8.47% Senior Unsecured Loan Notes due 2010; the 6.47% Senior Unsecured Loan Notes due 2013; the 7.64% Senior Unsecured Loan Notes due 2014; and the 6.67% Senior Unsecured Loan Notes due 2016.
- The balance of the proceeds will be used by the Company to finance capital projects.

INSIDERS

To the knowledge of the Company, insiders of the Company, including the directors and officers of the Company, that own, in the aggregate, approximately 54% of the outstanding Class A Ordinary Shares of the Company and receive Rights pursuant to the Offering intend to exercise their Rights, and, in particular, Fortis Bermuda intends to exercise the Rights received in connection with its shareholdings. In addition, insiders of the Company may purchase or sell Rights and/or Class A Ordinary Shares on the TSX, privately or otherwise during the Offering.

OWNERSHIP OF SECURITIES

To the knowledge of the directors and executive officers of the Company, as at June 19, 2008, no person beneficially owned, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the

outstanding Class A Ordinary Shares of the Company other than Fortis Bermuda, which holds 13,565,511 Class A Ordinary Shares, representing approximately 54% of the Class A Ordinary Shares currently issued and outstanding. Fortis Bermuda is a wholly-owned subsidiary of Fortis Inc. of St. John's, Newfoundland and Labrador, Canada. Its registered office is located at Clarendon House, 2 Church Street, Hamilton, Bermuda HM 11, and its mailing address is the same.

CHANGES IN OWNERSHIP OF SECURITIES

To the best of the knowledge and belief of the Company, there have been no transfers of Class A Ordinary Shares that have materially affected control of the Company since April 30, 2007, the date of the last audited financial statements delivered to the Shareholders of the Company.

INCOME TAX CONSEQUENCES

The income tax consequences of acquiring, holding or disposing of Rights, or the Class A Ordinary Shares acquired upon exercise of Rights, may vary according to the status of the investor, the jurisdiction in which he resides or carries on business and his own particular circumstances. Each investor should seek independent advice regarding such tax consequences based on his own particular circumstances.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Company are Ernst & Young Cayman Islands. CIBC Mellon Trust Company at its principal offices in Toronto is the registrar and transfer agent for the Rights and the Class A Ordinary Shares of the Company.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides securityholders of the Company with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to those securityholders. However, such rights must be exercised within the prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of the province or territory of residence for particulars of those rights, or consult with a lawyer.

FURTHER INFORMATION

For further information regarding the Company, please refer to the continuous disclosure documents filed by the Company with Canadian securities regulatory authorities at www.sedar.com.

INQUIRIES

Inquiries relating to this Offering should be addressed to:

Caribbean Utilities Company, Ltd.

Attn: 2008 Rights Offering
P.O. Box 38
Grand Cayman KY1-1101
Cayman Islands
Tel: (345) 949-5200
Fax: (345) 949-4621

CIBC Mellon Trust Company

If delivered by mail:
CIBC Mellon Trust Company
P.O. Box 1036
Adelaide Street Postal Station
Toronto, Ontario M5C 2K4

If delivered by hand, courier or registered mail:
CIBC Mellon Trust Company
199 Bay Street
Commerce Court West
Securities Level
Toronto, Ontario M5L 1G9

Tel: 1 (800) 387-0825 or (416) 643-5500

GLOSSARY

In this rights offering circular, the following terms shall have the meanings set forth below, unless otherwise indicated.

“1933 Act” means the United States *Securities Act of 1933*, as amended.

“Additional Class A Ordinary Shares” means additional Class A Ordinary Shares that a Rights holder has the right to subscribe for pursuant to the Additional Subscription Privilege.

“Additional Subscription Privilege” means the entitlement of holders of Rights who subscribe in full under the Basic Subscription Privilege to also subscribe for Additional Class A Ordinary Shares not subscribed for under the Basic Subscription Privilege by other holders of Rights, if any, on the basis set forth herein.

“Basic Subscription Privilege” means the entitlement of holders of Rights to subscribe for Class A Ordinary Shares at the Subscription Price on the basis of one Class A Ordinary Share for each ten (10) Rights held.

“business day” means any day on which the TSX is open for business.

“CDS” means CDS Clearing and Depository Services Inc.

“CDS Participant” means a participant in CDS.

“Class A Ordinary Shares” means the Class A Ordinary Shares of the Company.

“Commencement Date” means July 15, 2008.

“Company” means Caribbean Utilities Company, Ltd.

“Expiration Date” means August 15, 2008.

“Expiration Time” means 4:00 p.m. (Toronto time) on the Expiration Date.

“Offering” means the offering by the Company to Shareholders of record as at the Record Date of Rights to subscribe for and purchase from the Company an aggregate of approximately 2,544,518 Class A Ordinary Shares at the Subscription Price (based on the current number of outstanding Class A Ordinary Shares).

“Qualified Jurisdictions” means the Cayman Islands and each of the Provinces of Canada.

“Record Date” means July 14, 2008.

“Registrar and Transfer Agent” means CIBC Mellon Trust Company.

“Rights” means the rights to subscribe for and purchase Class A Ordinary Shares from the Company.

“Shareholders” means holders of Class A Ordinary Shares.

“Subscription Agent” means CIBC Mellon Trust Company.

“Subscription Price” means US\$11.09 per Class A Ordinary Share.

“TSX” means the Toronto Stock Exchange.