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ATCO AND KANSAI PURSUE EXPORT OF CLEAN FUELS FROM CANADA TO JAPAN

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

ATCO Ltd., through its investment in Canadian Utilities Limited (“ATCO”) and The Kansai Electric Power Co., Inc. (“Kansai”) are collaborating to develop an integrated clean fuels supply chain between Canada and Japan. ATCO and Kansai have already completed a pre-feasibility study to produce clean hydrogen and its derivatives in Canada, spanning the entire value chain, with end product arriving in Japan.

“ATCO recognizes there is a significant opportunity for Canada to become a supplier of clean fuels in addition to our nation’s existing energy exports,” said James Powell, Vice President, Energy Infrastructure, Clean Fuels, ATCO. “Together with Kansai, we are eager to complete feasibility work and build consensus for this new decarbonization opportunity.”

“Our recent visit to the project sites inspired us with great confidence in future collaborations on clean fuels between Canada and Japan,” said Satoshi Fukushima, Head of Project Development Group, International Business Division, Kansai. “Through this project, we hope to be part of a new chapter in ATCO’s over 75-year history.”

Clean hydrogen would be produced via Auto Thermal Reforming with carbon capture and sequestration in Alberta’s Industrial Heartland to develop low-carbon-intensity hydrogen or derivatives that would be transported to Canada’s West Coast before being shipped overseas to Japan.

Feasibility evaluation of the entire value chain between Canada and Japan is ongoing and representatives from Kansai visited Canada in early March to investigate the production site area and the proposed locations for rail loading and port infrastructure. Following many months of collaboration, the project team will jointly accelerate toward completion of the feasibility work.

Japan has identified clean hydrogen as a key pillar of its ambition to achieve carbon neutrality by 2050. To ensure efficient supply of clean fuel, Japan’s Strategic Energy Plan contemplates the import of cost-effective products from overseas. Similarly, the Government of Canada’s Hydrogen Strategy for Canada has identified significant opportunity for Canada to become a supplier of clean hydrogen and its derivatives as new, carbon-free, energy export commodities in addition to existing energy exports. With abundant hydrocarbon reserves, geology ideally suited to carbon sequestration, a stable socio-economic environment, and proximity to Asian markets, Canada is uniquely positioned to be a leading supplier of clean energy to Japan for decades to come.

Kansai and ATCO are eager to continue their collaboration on this project, which represents an important contribution to the decarbonization ambitions of Canada and Japan while deepening the important, long-standing relationship between our two countries.

Canadian Utilities Limited is a subsidiary of ATCO Ltd. that has approximately 5,000 employees and assets of \$22 billion. Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services and innovative business solutions in Utilities (electricity and natural gas transmission and distribution, and international operations); Energy Infrastructure (energy storage, energy generation, industrial water solutions, and clean fuels); and Retail Energy (electricity and natural gas retail sales, and whole-home solutions). More information can be found at www.canadianutilities.com.

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Forward-Looking Information Advisory

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 "expect", "may", "will", "would be", "intend", and similar expressions. In particular, forward-looking information in this news release includes references to the production of low-carbon-intensity hydrogen (or derivatives) in Canada and subsequent transportation to Japan, and the development of an integrated clean fuel supply chain between Canada and Japan.

It is believed that the expectations reflected in such forward-looking information are reasonable based on the information that is available on the date of this news release; however, such statements are not guarantees of future performance and no assurance can be given that the expectations will prove to be correct. Forward-looking information should not be unduly relied upon. Such information involves a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those anticipated. Such forward-looking information reflects current beliefs and assumptions with respect to, among other things, regulatory approvals, methods of transportation, the implementation of processes, the utilization of technology, and the performance of assets and equipment.

Actual results could differ materially from those anticipated in the forward-looking information as a result of, among other things, risks inherent in the performance of technology, assets and equipment; applicable laws and government policies; regulatory decisions; competitive factors; political factors; prevailing economic conditions; the availability and cost of labour, materials, equipment and services; the occurrence of unexpected events; and other risk factors, many of which are beyond ATCO's control. Readers are cautioned that the foregoing lists are not exhaustive.