ICD UTILITIES LIMITED



Emera Inc. Announces Transaction to Acquire All Remaining Outstanding Shares of ICD Utilities Limited

Transaction simplifies the ownership structure of Grand Bahama Power Company Limited

- ICD Utilities Limited ("ICDU") has entered into a definitive agreement with Emera Utilities
 Holdings Ltd. ("EUHL"), a wholly owned indirect subsidiary of Emera Incorporated ("Emera")
 which currently indirectly owns a 60.74% controlling interest in ICDU, pursuant to which Emera
 would indirectly acquire all of the common shares of ICDU that it does not own (the
 "Transaction").
- ICDU controls 50% of Grand Bahama Power Company Limited, a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island in The Bahamas with approximately CAD \$0.4 billion of assets.
- All of Emera's Caribbean interests, including Grand Bahama Power Company Limited, are held through its indirect, wholly owned subsidiary, Emera (Caribbean) Incorporated.
- Minority shareholders in ICDU would receive BSD\$8.85 per share representing a 26% premium to the current share price and a 33% premium over the 24-month volume-weighted average share price, for total consideration of approximately BSD\$34,745,834; valuing ICDU at BSD\$88,500,000.
- Shareholders can elect to receive BSD\$8.85 in cash or 0.913 Emera depositary receipts ("DRs") per ICDU share. Each DR initially represents an interest in one quarter of an Emera common share. An application has been filed to list the DRs on The Bahamas International Securities Exchange. DRs give Bahamians the ability to invest in the growth and success of Emera.
- The Transaction was unanimously recommended by the ICDU independent directors.
- No changes are planned to the management teams or operations at Grand Bahama Power Company Limited.
- Shareholders' Forums hosted by senior executives of Emera and ICDU will be held at the Pelican Bay Resort in Freeport at 5:30 pm on October 23, 2017 and at the British Colonial Hilton in Nassau at Noon on October 24, 2017.

Freeport, Grand Bahama, October 13, 2017 - Emera Incorporated ("Emera") and ICD Utilities Limited ("ICDU") today announced that ICDU has entered into a definitive agreement with Emera and Emera Utilities Holdings Ltd. ("EUHL"), a wholly owned indirect subsidiary of Emera which currently owns a

60.74% controlling interest in ICDU, pursuant to which Emera would indirectly acquire all of the common shares of ICDU that it does not own (the "Transaction").

Pursuant to the terms of the Transaction, which has been unanimously recommended by the ICDU independent directors, ICDU shareholders can elect to receive BSD\$8.85 in cash per common share or 0.913 depositary receipts representing common shares in Emera ("DRs") or a combination of cash and DRs. Any shareholder which does not validly elect will be deemed to have elected to receive DRs. Each DR will initially represent one quarter of an Emera common share. The Transaction represents a 26% premium to the price that the ICDU shares last traded on The Bahamas International Securities Exchange ("BISX") and a 33% premium over the 24-month volume-weighted average share price for total consideration of approximately BSD\$34,745,834 and valuing ICDU at BSD\$88,500,000.

DRs are not being offered to any shareholder in the United States. Each shareholder in the United States would receive BSD\$8.85 in cash for each ICDU share being acquired.

A special committee of the board of directors of ICDU, comprised entirely of independent directors, was created to consider the Transaction. The special committee sought a fairness opinion from KPMG Advisory Services Ltd. which determined that, as of October 12, 2017, subject to the assumptions and restrictions noted in the fairness opinion, the Transaction is fair, from a financial perspective, to the shareholders of ICDU.

"Emera is pleased to continue its investment in the region through this transaction," said Scott Balfour, Chair, ICDU Board of Directors and Chief Operating Officer, Emera Incorporated. "Through this transaction, former ICDU shareholders will be able to continue to invest in Grand Bahama Power Company indirectly while also benefiting from the flexibility, diversity and liquidity offered by the growth and success of Emera."

ICDU controls 50% of Grand Bahama Power Company Limited ("GBPC"), a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island in The Bahamas with approximately CAD \$0.4 billion of assets.

All of Emera's Caribbean interests, including GBPC, are held through its indirect, wholly-owned subsidiary, Emera (Caribbean) Incorporated ("ECI").

The Transaction will not change how GBPC will be managed by ECI. GBPC will continue to operate under the scrutiny of its regulators.

The implementation of the Transaction will be subject to approval by the holders of the ICDU shares at an annual and special meeting to be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 commencing at 5:00 pm EST. The Transaction will be subject to approval by a majority of the votes cast by shareholders other than EUHL in addition to approval by 75% of the total holders of ICDU shares including EUHL. The Transaction also will be subject to applicable regulatory approvals and certain closing conditions customary in transactions of this nature.

Emera has applied to list the DRs on the BISX, and the issuance of the common shares of Emera underlying the DRs has been conditionally approved by the Toronto Stock Exchange ("TSX"). The Bahamas Investment Authority has approved the Transaction, the Securities Commission of The

Bahamas has issued a letter of non-objection to the Transaction and the Central Bank of The Bahamas has approved the Transaction in principle.

The terms and conditions of the Transaction will be disclosed in a proxy statement that will be posted on the BISX website at bisxbahamas.com on or about October 16, 2017. The proxy statement will also be mailed to the shareholders of ICDU. It is anticipated that the Transaction, if successful, will be completed in December of 2017.

The Emera DRs will give Bahamians the ability to invest in Emera, a growing North American energy company. The trading value of the DRs is expected to mirror the trading price of Emera common shares on the TSX, and DR holders will receive dividends paid on Emera shares. DR holders will also receive disclosure materials that Emera shareholders are entitled to receive, including detailed Emera operational and financial reporting, and will have rights to vote on shareholder matters.

Shareholders' Forums hosted by senior executives of Emera and ICDU will be held at the Pelican Bay Resort in Freeport at 5:30 pm EST on October 23, 2017 and at the British Colonial Hilton in Nassau at 12:00 pm EST on October 24, 2017. All shareholders of ICDU are invited to attend.

The period for electing to receive cash pursuant to the transaction will expire on November 27, 2017 and shareholders will need to submit their validly completed election notice no later than 5pm EST on that date. Shareholders who do not submit a validly completed election notice by that time will be deemed to have elected to receive Emera DRs.

Forward Looking Information

This news release contains forward-looking information within the meaning of applicable securities laws. By its nature, forward-looking information requires Emera and ICDU to make assumptions and is subject to inherent risks and uncertainties. These statements reflect Emera and ICDU management's current beliefs and are based on information currently available to Emera and ICDU management. There is a risk that predictions, forecasts, conclusions and projections that constitute forward-looking information will not prove to be accurate, that Emera and ICDU's assumptions may not be correct and that actual results may differ materially from such forward-looking information. Additional detailed information about these assumptions, risks and uncertainties is included in the securities regulatory filings of Emera and ICDU which, for Emera, can be found on SEDAR at www.sedar.com, and for ICDU, can be found at www.bisxbahamas.com and will be included in the proxy statement of ICDU under the headings "Forward Looking Information" and "Risk Factors".

About ICD Utilities Limited

ICD Utilities Limited controls 50% of Grand Bahama Power Company Limited, a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island in The Bahamas with approximately CAD \$0.4 billion of assets. GBPC serves approximately 19,000 customers, has a workforce of approximately 185 employees and is regulated by The Grand Bahama Port Authority ("GBPA"). The GBPA has granted GBPC a licensed, regulated and exclusive franchise to generate, transmit and distribute electricity on the island until 2054. GBPC's approved regulated return on rate base is currently 8.8%. A fuel pass-through mechanism provides the opportunity to recover fuel costs in a timely manner.

About Emera (Caribbean) Incorporated

Emera (Caribbean) Incorporated ("ECI") is an energy and services company based in Barbados, West Indies. The Company's holdings include The Barbados Light & Power Co. Ltd. (wholly owned); Emera Caribbean Renewables Limited (wholly owned); a 51.91% interest in Dominica Electricity Services Limited; and a 19.1% interest in St. Lucia Electricity Services Limited. In alignment with Emera, ECI's purpose is to meet the energy needs of its customers today, and provide solutions to power a sustainable future. ECI operates on a foundation of operational and service excellence that focuses on safety and health, stakeholder relationships, and investment in its people. Additional information can be accessed at www.emeracaribbean.com.

About Emera Incorporated

Emera Incorporated is a geographically diverse energy and services company headquartered in Halifax, Nova Scotia with approximately CAD\$29 billion in assets and 2016 revenues of more than CAD\$4 billion. The company invests in electricity generation, transmission and distribution, gas transmission and distribution, and utility energy services with a strategic focus on transformation from high carbon to low carbon energy sources. Emera has investments throughout North America, and in four Caribbean countries. Emera continues to target having 75-85% of its adjusted earnings come from rate-regulated businesses. Emera's common and preferred shares are listed on the Toronto Stock Exchange and trade respectively under the symbol EMA, EMA.PR.A, EMA.PR.B, EMA.PR.C, EMA.PR.E, and EMA.PR.F. Depositary receipts representing common shares of Emera are listed on the Barbados Stock Exchange under the symbol EMABDR. Additional Information can be accessed at www.emera.com or at www.sedar.com.

For more information, please contact:

Shareholders looking for further information regarding the Transaction, please contact:

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