

ATCO News Release

ATCO LTD

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For Immediate Release

June 22, 2009

ATCO LTD. ANNOUNCES AGREEMENT TO COMBINE ATCO STRUCTURES INC., ATCO FRONTEC CORP. AND ATCO NOISE MANAGEMENT LTD.

CALGARY, Alberta – ATCO Ltd. (“ATCO”) announced today it has reached an agreement with Canadian Utilities Limited (“CU”) to combine ATCO Structures Inc. and ATCO Noise Management Ltd., both wholly-owned subsidiaries of ATCO, with ATCO Frontec Corp., a wholly-owned subsidiary of CU. Once completed, ATCO and CU will have ownership interests of 75.5% and 24.5% respectively in a new company to be named ATCO Structures & Logistics Ltd.

“This amalgamation will assure expanded opportunities and improved operational efficiencies. The combination of knowledge and expertise from ATCO Structures, ATCO Noise Management and ATCO Frontec in one new company, ATCO Structures & Logistics, will provide customers with innovative solutions and logistics support for facilities, catering, housing, construction and site management,” said Nancy Southern, President and Chief Executive Officer, ATCO Ltd. “ATCO Structures & Logistics will immediately offer rapid response for facilities and infrastructure deployment to our customers throughout Canada, the United States and the world.”

In July 2008, the boards of ATCO and CU announced the appointment of special committees of independent directors to evaluate a potential transaction involving ATCO Structures and ATCO Frontec. The special committees retained independent financial advisors and legal counsel. In completing their evaluation of the transaction, the special committees determined that the transaction should be completed through a combination of ATCO Structures and ATCO Frontec by way of amalgamation. TD Securities acted as financial advisor to ATCO and has provided the special committee with its opinion that the consideration to be received pursuant to the transaction is fair, from a financial point of view, to ATCO. The special committee has recommended the transaction to the board of directors of ATCO as being in the best interests of ATCO, and the ATCO board of directors has accepted the recommendation and approved the transaction.

ATCO and CU will enter into a shareholders’ agreement to establish the governance framework for the new company. The agreement will provide ATCO and CU with proportionate board representation rights and certain other rights with respect to share issuances and transfers. The transaction is subject to the completion of documentation and receipt of all necessary approvals, including those from lenders and third parties, and is expected to be completed on or about July 1, 2009.

ATCO Structures manufactures, sells and leases workforce housing and modular buildings around the world. ATCO Frontec specializes in the rapid mobilization and delivery of site support and camp services to the resource, defence, transportation and telecommunications sectors. ATCO Noise Management provides acoustical consulting services and turnkey noise control for industrial facilities, addressing environmental impact and worker exposure from noise.

ATCO Ltd., an Alberta-based worldwide organization of companies with assets of approximately \$9.8 billion and more than 7,700 employees, is comprised of three main business divisions: Power Generation, Utilities (natural gas and electricity transmission and distribution) and Global Enterprises (industrial manufacturing, technology, logistics and energy services). More information about ATCO Ltd. can be found on its website, www.atco.com.

For further information, please contact:

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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 Corporation 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. In particular, there can be no assurance that a transaction will be completed.

Any forward-looking information contained in this news release represents the Corporation's expectations as of the date hereof, and is subject to change after such date. The Corporation 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.
