



News Release

ATCO LTD.

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For Immediate Release

April 30, 2010

ATCO REPORTS FIRST QUARTER EARNINGS OF \$89.8 MILLION

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

ATCO Ltd. today reported earnings of \$89.8 million (\$1.54 per share) for the first three months of 2010, compared to \$94.6 million (\$1.64 per share) for the same three months in 2009.

ATCO Ltd. reported “Adjusted Earnings” ⁽¹⁾ for the first three months of 2010 of \$91.9 million (\$1.58 per share), compared to \$96.1 million (\$1.66 per share) for the same three months in 2009.

Earnings and Adjusted Earnings in the first quarter of 2010 reflected a \$3.0 million premium on the redemption of all of ATCO’s \$150 million of outstanding 5.75% Cumulative Redeemable Preferred Shares. This one-time charge to earnings will result in positive earnings impact for the remainder of the year as future dividends on preferred shares are eliminated. The net benefit to ATCO’s 2010 earnings because of this redemption is expected to be approximately \$3.9 million.

After removing the impact of the preferred share redemption premium, Adjusted Earnings in the first quarter of 2010 are consistent with the first quarter of 2009. This reflects continued strength from the Company’s Utilities Segment due to higher investment in rate base, partially offset by lower earnings in the Company’s Energy Segment primarily due to lower spark spreads in the Alberta and United Kingdom electricity markets.

RECENT DEVELOPMENTS

- On April 9, ATCO Power announced that its new 86 megawatt Karratha (in Western Australia) generating station went into full commercial operation ahead of schedule, only 16 months after the environmentally progressive project was first announced.
- On March 9, ATCO Structures & Logistics announced the acquisition of the assets of Woodgreen Homes & Trailer Sales in Timmins, Ontario.
- On March 26, ATCO Gas celebrated the official opening of a new environmentally friendly operations centre. Located in Edmonton, the operations centre is the largest commercial building in Canada to make use of geothermal heating, ventilating and cooling technology fuelled by natural gas.
- On March 15, ATCO Midstream and SaskEnergy Inc. announced the completion of a joint expansion project at the Kisbey Gas Plant in southeastern Saskatchewan that will benefit both the environment and Saskatchewan’s economy and will triple the capacity of the Kisbey Gas Plant to five million cubic feet of gas per day.

[Continued]

- ATCO Gas received a decision on April 20 from the Alberta Utilities Commission (AUC) approving, on an interim refundable basis, the partial recovery of amounts previously paid to customers in regard to the Carbon storage facility. This decision increased ATCO Gas' earnings in the first quarter of 2010 by \$11.3 million (ATCO earnings of \$5.9 million). This increase was partially offset by an Alberta Court of Appeal decision received on April 23 in regard to amounts previously recovered from customers for historical transportation imbalances that returned the matter to the AUC for consideration. Pending final resolution of this matter, the timing of which is uncertain, ATCO Gas recorded a contingent liability in the first quarter of 2010 which reduced its earnings by \$8.4 million (ATCO earnings of \$4.4 million).

Financial Summary and Reconciliation of Adjusted Earnings

For the Three Months
Ended March 31

	2010	2009
(\$ Millions except per share data)		Unaudited
Reported Earnings	89.8	94.6
ATCO Power Mark-to-Market Adjustment	2.1	1.5
Adjusted Earnings ⁽¹⁾	91.9	96.1
Earnings Per Share	1.54	1.64
Adjusted Earnings Per Share ⁽¹⁾	1.58	1.66
Revenues	898.5	875.1
Funds Generated By Operations ⁽¹⁾⁽²⁾	256.8	279.0

(1) These measures are not defined by Generally Accepted Accounting Principles and may not be comparable to similar measures used by other companies.

(2) This measure is cash flow from operations before changes in non-cash working capital.

The decrease in **Funds Generated by Operations** for the three months ended March 31, 2010 is primarily due to regulatory deferral amounts which vary from quarter to quarter and are, therefore, not comparable or indicative of funds generated by operations on an annual basis.

ATCO Ltd.'s consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the three months ended March 31, 2010, will be available on ATCO Ltd.'s website (www.atco.com) or via SEDAR (www.sedar.com) or can be requested from the Company.

Alberta-based ATCO Ltd., with more than 7,500 employees and assets of approximately \$9.9 billion, delivers service excellence and innovative business solutions worldwide with leading companies engaged in Utilities (pipelines, natural gas and electricity transmission and distribution), Energy (power generation, natural gas gathering, processing, storage and liquids extraction), Structures & Logistics (manufacturing, logistics and noise abatement) and Technologies (business systems solutions). 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 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.

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.