LIBERTY UTILITIES: ACQUISITION OF NATURAL GAS DISTRIBUTION ASSETS IN MASSACHUSETTS

Acquisition Overview

- Natural gas distribution utility comprised of two Massachusetts service territories (Fall River and North Attleboro)
- Aligned with Liberty Utilities ongoing roll-up strategy in the U.S. regulated utilities sector
- Operations easily integrated into Liberty Utilities’ U.S. platform given existing significant local presence
- Assets include 600 miles of distribution pipelines, 3 gate stations, LNG peaking facility
- Opportunities for capital investment in infrastructure replacement programs
- Diversified customer base made up primarily of residential (92%) and small commercial customers (8%)
- Complete operations and local management team to be offered continued employment
- Purchase price of U.S.$74.0 million / expected 2014 EBITDA of ~7.8x

<table>
<thead>
<tr>
<th>Key Facts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>US $74.0 million</td>
</tr>
<tr>
<td>Property, plant and equipment (Net of accumulated depreciation of $59.7 million)</td>
<td>US $72.7 million</td>
</tr>
<tr>
<td>Customers</td>
<td>53,300</td>
</tr>
<tr>
<td>Massachusetts Employees</td>
<td>127</td>
</tr>
</tbody>
</table>

“THIS ACQUISITION DEMONSTRATES LIBERTY UTILITIES’ ABILITY TO LEVERAGE ITS EXISTING REGULATED UTILITY FOOTPRINT TO BUILD SHAREHOLDER VALUE.”
- IAN ROBERTSON, CEO
AFFIRMING OUR SUCCESSFUL APPROACH TO GROWTH

Regulatory Environment
- Attractive state regulatory environment with a ‘supportive’ S&P regulatory rating
- Several regulatory mechanisms serve to support stable and predictable earnings, including:
  - 9.5% approved return on equity in the most recent rate case
  - Weather normalization mechanism (decoupling) reducing earnings volatility
  - Semi-Annual tariff mechanisms providing adjustments for recovery of environmental remediation costs, bad debt losses and pension/retiree benefit expenses with minimal regulatory lag
  - Separate Targeted Infrastructure Replacement Factor tracker account providing immediate return on investment under pipe infrastructure replacement program
- Rate case to be filed in 2015 (2014 test year)
  - new rates expected to be implemented in 2016

Utility Financing
- Liberty Utilities long term targeted capital structure for operating utilities of approximately 52% equity, 48% debt
- Acquisition includes assumption of $19.5 million of existing debt
- Financing for balance of acquisition costs to be arranged in conjunction with the closing of the acquisition

Includes Non-Regulated Water Heater Business
- Total utility property, plant and equipment includes ~$3 million of water heaters and natural gas conversion burners leased under long term contracts to 14,000 of the utility’s customers
- Total expected overall 2013 EBITDA includes ~$950k from equipment business

Expected Seasonality by Quarter

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Seasonality Percentages</td>
<td>67%</td>
<td>9%</td>
<td>0%</td>
<td>24%</td>
<td>100%</td>
</tr>
<tr>
<td>Approximate Normalized Dekatherms</td>
<td>3,100,000</td>
<td>1,435,000</td>
<td>665,000</td>
<td>1,450,000</td>
<td>6,650,000</td>
</tr>
</tbody>
</table>
CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this news release contain information that is forward-looking within the meaning of certain securities laws, including information and statements regarding prospective results of operations, financial position or cash flows. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. APUC cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in the management’s discussion and analysis section of APUC’s most recent annual report and quarterly report, and APUC’s Annual Information Form. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, APUC undertakes no obligation to update any forward-looking statements or information to reflect new information, subsequent or otherwise.