



December 12, 2017

ATCO AND CYDSA LOOK TO IDENTIFY MIDSTREAM OPPORTUNITIES IN MEXICO

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

Today, ATCO Ltd. and CYDSA S.A.B. de C.V. (CYDSASA) announced the signing of a Memorandum of Understanding (MOU) that will see the two companies work together to explore and develop midstream opportunities in Mexico's oil and gas industry. The initial focus will be on underground hydrocarbon storage in both salt cavern formations and depleted reservoirs, and will also include opportunities in gas gathering and processing, as well as natural gas liquids (NGL) extraction and fractionation.

"This MOU presents us with an opportunity to expand our integrated suite of products and services in a growing strategic market," said George Lidgett, Managing Director, Pipelines & Liquids with ATCO. "Our decades of experience developing customer-focused midstream and energy storage services, paired with CYDSA's invaluable local expertise, should enable us to identify targeted opportunities for growth in Mexico."

CYDSA has more than 50 years of experience in mining and exploring salt formations in the Coatzacoalcos region, serving both the consumer and industrial sectors. The company has recently started developing salt caverns in the formation for safe use in hydrocarbon storage, the first project of its kind in Mexico and Latin America. In November 2017, in cooperation with PEMEX, the state-owned oil company of Mexico, the initial operation to store liquefied petroleum gas went onstream.

ATCO also brings extensive experience developing and managing underground storage facilities, both in salt cavern formations and depleted reservoirs. The company has a long history of developing and reliably operating a variety of energy assets, including gas gathering and processing, NGL extraction, as well as providing transportation and logistics services.

"We very much look forward to cooperating with ATCO. By combining CYDSA's presence throughout Mexico and our experience in the Coatzacoalcos salt exploration with ATCO's expertise in underground hydrocarbon storage and managing midstream assets, I believe that this potential partnership could become one of the premier providers of midstream services in Mexico," said Tomás González Sada, Chairman of the Board & Chief Executive Officer with CYDSA. "The cooperation will benefit the Mexican economy and improve the competitiveness of many industries through the reliable delivery of oil and gas products to the benefit of producers and consumers."



News Release

With approximately 7,000 employees and assets of \$21 billion, ATCO is a diversified global corporation delivering service excellence and innovative business solutions in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.ATCO.com.

CYDSA operates five business segments that include the Mining and Exploration of Salt for human consumption and industrial production, Chemical Products & Specialties (Chlorine and Caustic Soda), Cooling Gases (in a joint venture with Honeywell), Cogeneration of Electricity and Steam and the Underground Storage of Hydrocarbons. Headquartered in Monterrey, Mexico, the Company incorporates more than 20 subsidiaries located in 8 cities and serves customers in more than 15 countries. For further information, please review www.cydsa.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 Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company 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 Company's expectations as of the date hereof, and is subject to change after such date. The Company 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.