ALGONQUIN POWER CO.: ACQUISITION OF 109.5 MW OF U.S. WIND GENERATION

SHADY OAKS: 109.5 MW CONTRACTED WIND FACILITY IN ILLINOIS

ACQUISITION OVERVIEW

• Wind energy generation facility located in Northern Illinois, approximately 80 kilometres west of Chicago
• Facility has entered into a 20 year PPA with Commonwealth Edison (ComEd)
• Facility is comprised of 71 Goldwind permanent magnet wind turbines with direct drive technology delivering longer equipment life and lower operating costs
• Estimated annual production of 364 GW-hrs based on 7 years of historic wind data
• Operations easily integrated into Algonquin Power Co.'s (APCo) U.S. wind platform following recent acquisition of Illinois based Minonk wind farm interest
• APCo contracted with wind turbine manufacturer to provide operation and maintenance under 20 year Service, Maintenance and Warranty Agreements
• Facility purchase price of U.S.$148.9 million represents an attractive ~9.6x 2014 EBITDA (facility qualifies for capacity sales starting in 2014)
• Acquisition fully financed with long term bridge financing; eliminating pressure for completion of permanent financing

“THIS WIND FARM PROVIDES ADDITIONAL GEOGRAPHIC DIVERSIFICATION TO OUR RENEWABLE PORTFOLIO, AND THE 20 YEAR PPA FURTHER STRENGTHENS THE STABLE, LONG TERM EARNINGS PROFILE OF OUR NON-REGULATED UTILITY BUSINESS.”

- IAN ROBERTSON, CEO OF ALGONQUIN POWER & UTILITIES CORP.
BUILDING ON OUR SUCCESS AND DELIVERING VALUE
ACCRETIVE GROWTH FOR OUR SHAREHOLDERS

Off-take Arrangements

- **Energy:** First 310 MW-hrs generated per year (together with associated RECs) sold pursuant to 20 year contract at a 2013 average price of $56.93/MW-hr; PPA price subject to 2% annual escalation. All energy in excess of annual 310 GW-hr PPA obligation (estimated at 54 MW-hrs per year) sold into PJM merchant market.

- **Capacity:** Project capacity can be sold into PJM capacity auctions (~20.7 MW available for sale under PJM rules); $136/MW-day price already secured for 2014/2015 (facility reached COD after 2013 capacity auction).

- **RECs:** Renewable Energy Credits from energy in excess of PPA deliveries to be sold by APCo. (54 GW-hrs) 2013/2014 expected average price of $5.30/MW-hr.

- **Counterparty:** Commonwealth Edison, the largest electric utility in the State of Illinois. ComEd rated BBB flat with a stable outlook by Standard & Poor’s and Moodys.

Operations, Maintenance and Warranty Arrangements

- Project comprised of 68 GW82 1.5 MW turbines and 3 GW100 2.5 MW turbines.

- Goldwind contracted to provide full operations and maintenance services for fixed prices over ~20 year term.

- Excellent fleet operating history with 5 year average GW82 availability in excess of 98%.

- All turbines employ modern gearbox-less direct drive permanent magnet generators.

Expected Energy Production

- Expected energy production of 364 GW-hrs per year.

- 7 years of wind data utilized by Garrad Hassan in preparation of energy production estimate.

Financing

- Facility financing to be consistent with APCo’s long term capital structure of approximately 45% - 50% debt.

- Permanent financing expected to be issued through APCo’s existing unsecured bond platform.

- Acquisition initially financed through an existing 15 year variable rate project level loan provided by the Chinese Development Bank secured by facility assets.

- The loan bears interest at LIBOR plus 3.2%, may be repaid in whole or in part at any time without penalty and matures in 2025.
CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this document 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.