$1.7 BILLION IN ASSETS AND GROWING

LIBERTY UTILITIES: ACQUISITION OF WATER UTILITY IN ARKANSAS

Acquisition Overview

• Water distribution utility located in Pine Bluff, Arkansas
• Significant geographic alignment with Liberty Utilities Central Region assets in surrounding Missouri and Texas
• Well maintained assets include over 389 miles of distribution mains, 13 wells with average depth of 900 feet, 29 million gallons per day of pump capacity, 3 treatment plants, 2 elevated water storage tanks
• Additional opportunities for follow on capital investment
• Complete leadership team and existing employees retained
• Diversified customer base with majority of total revenue from residential, small commercial, and industrial customers.

“THIS ACQUISITION DEMONSTRATES LIBERTY UTILITIES’ SUCCESSFUL APPROACH TO GROWTH OF THE U.S. UTILITY THROUGH THE CONTINUED SOURCING OF HIGH QUALITY ASSETS FROM LARGER UTILITIES TO ADD TO OUR PORTFOLIO.”
- IAN ROBERTSON, CEO

Algonquin Power Co., the Company’s electric generation subsidiary, currently includes 46 renewable energy facilities and 12 thermal energy facilities representing more than 480 MW of installed capacity.

Liberty Utilities Co., the Company’s distribution utility business, provides regulated water and electric utility services to more than 335,000 customers with a portfolio of 27 water and electric utility systems.
**Regulatory Environment**

- Credit Supportive S&P regulatory rating
- Regulatory approval of the acquisition expected in 2013
- Existing 3 year rate case cycle expected to be maintained with next rate case expected in 2014
- 10.1% approved return on equity in last rate case

**Acquisition Financing**

- Liberty Utilities long term targeted capital structure for operating utilities of approximately 55% equity, 45% debt
- Acquisition financing to be arranged in conjunction with the closing of the acquisition in 2013

### Key Facts

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase Price</strong></td>
<td>US$28.6M</td>
</tr>
<tr>
<td><strong>Assets for ratemaking purposes expected on closing</strong></td>
<td>US$24.6M</td>
</tr>
<tr>
<td><strong>Acquisition Premium</strong></td>
<td>1.16x rate base</td>
</tr>
<tr>
<td><strong>2011 Historical Adjusted EBITDA</strong></td>
<td>US$3.6MM</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>17,280</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>41</td>
</tr>
</tbody>
</table>