

Intelligent energy for a greener planet

Northland Power acquires majority equity stake in North Sea offshore wind farms from RWE Innogy

September 4, 2014

BACKGROUND AND CONFERENCE CALL DETAILS

Date: Thursday, September 4, 2014

Start Time: 11:00 a.m. EDT

Phone Number: Toll free within North America: 1-877-256-4778 or Local: 416-981-9035

Forward-Looking Statements



This release contains certain forward-looking statements which are provided for the purpose of presenting information about management’s current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.” These statements may include, without limitation, statements regarding plans for raising capital. These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including management’s current plans, its perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. Although these forward-looking statements are based upon management’s current reasonable expectations and assumptions, they are subject to numerous risks and uncertainties. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, operational risks, foreign exchange rates, regulatory risks, and the variability of revenues from generating facilities powered by intermittent renewable resources and the other factors described in the “Risks and Uncertainties” section of Northland’s 2013 Annual Report and Annual Information Form, both of which can be found at www.sedar.com under Northland’s profile and on Northland’s website www.northlandpower.ca. Northland’s actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur.

The forward-looking statements contained in this release are based on assumptions that were considered reasonable on September 4, 2014. Other than as specifically required by law, Northland undertakes no obligation to update any forward-looking statements to reflect events or circumstances after such date or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Northland Power's Offshore Wind Strategy



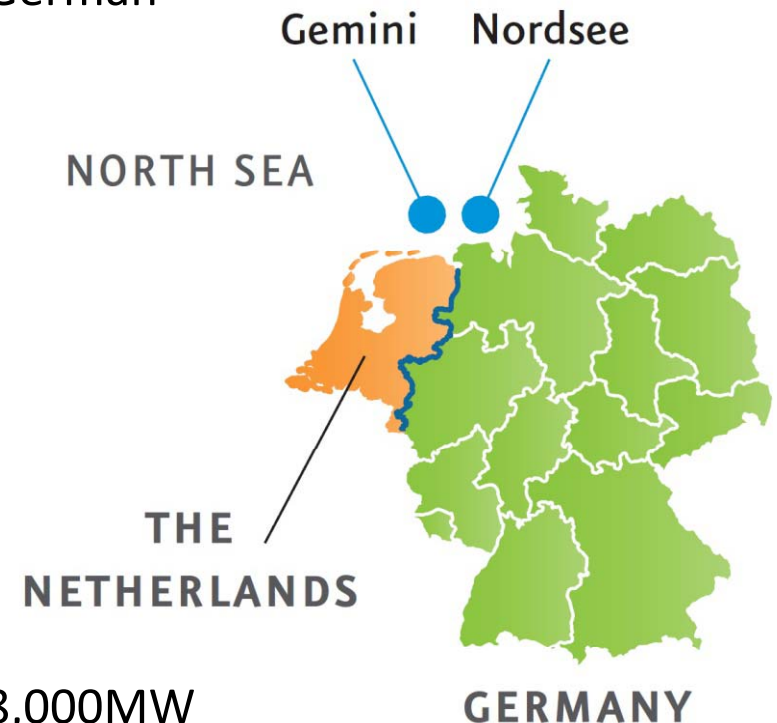
- Europe is a key focus for Northland
- Objective in Europe is to build a leading offshore wind platform with a full range of operating, development and investment assets
- The acquisition of the Nordsee projects contributes to the achievement of this objective
- Nordsee projects will leverage Northland's Gemini experience and could increase Northland's offshore portfolio to over 1,200 MW (net to Northland) over the next decade
- Wind development is a key feature of Germany's 'Energiewende' program:
 - Stated goal for offshore wind capacity of 6,500 MW of installed capacity by 2020 and 15 GW by 2030



Nordsee One Project Overview



- **Location:** 40 km off the coast of the North Sea in German territorial waters (26-29m water depth)
- **Capacity:** 332MW (282MW net to Northland)
- **Estimated Project Costs:** €1.2 billion
- **Target Financial Close:** First half of 2015
- **COD:** Q4-2017
- **Northland interest:** 85% of Nordsee projects
- **Partner (15%):** RWE Innogy, a global leader in renewable energy with interest in approximately 8,000MW of operating and development offshore wind assets
- **Additional Development Rights:** Includes rights to develop two additional projects (Nordsee 2 & 3) over the next decade totalling 670MW
- **Power Contract:** Feed-in-tariff subsidy for approximately ten years under the German Renewable Energy Act



Investment & Financial Highlights



Project Returns

- Strong project returns commensurate with Northland's investment criteria over contracted period
- **Highly Accretive** to Free Cash Flow/Share upon completion in 2017

Northland's Total Investment

- Currently estimated to be approximately €285 million (~CAD 420 million)
- Northland's investment funding options:
 - Cash on hand
 - Credit facilities
 - Preferred and common shares (via private placements or public markets)

Liquidity & Impact on Payout Ratio

- Expected to result in temporary but manageable elevation of Northland's payout ratio until 2017 when the Nordsee One and Gemini projects are completed
- Northland has sufficient liquidity to fund the current dividend

**Nordsee is highly accretive
Dividend remains top priority for management**

Project Management and Execution



Project Management & Oversight

- Northland will take a lead role during the remainder of the development period as well as during construction and operations
- Development and construction will be executed by the project company Nordsee One GmbH, which was formed in 2009
- Northland and RWE will provide active ongoing oversight of the project company
- Northland's Board will support the project's successful execution by expanding the special committee that was formed for Gemini to include Nordsee

Major Contracts

- Executed using five supply, installation and/or construction related contracts
- A tender process for the supply, installation and maintenance of the wind turbines is ongoing and is expected to be completed shortly
- All other major supply and construction contracts are nearing completion

Contacts



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