



BACKGROUNDER AND CONFERENCE CALL DETAILS

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

Northland Power will host a conference call on Thursday, September 4, 2014 to provide additional detail on our 85% equity investment in the Nordsee projects, particularly the Nordsee One wind farm (see details below); further information will also be provided at our investor day on September 23rd, 2014.

Conference call details are as follows:

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

For those unable to attend the live call, an audio recording will be available on Northland's website at (www.northlandpower.ca) from the afternoon of September 4 until September 23, 2014.

About Nordsee One:

- Nordsee One is located 40 kilometres north of Juist Island in German territorial waters and covers an area of approximately 34 square kilometres with the ideal conditions of shallow water and high wind speeds.
- Project partners Northland Power and RWE Innogy expect to reach a final investment decision and financial close in the first half of 2015, with in-water construction anticipated to begin in 2016. The project is expected to be completed by the end of 2017.
- Long term feed-in-tariffs are secured through the German Government Renewable Energy program for approximately ten years. A substantial portion of the project returns are earned during the approximately ten year feed-in-tariff period, with the remainder of the planned returns earned from the German wholesale electricity market. The German wholesale power market is robust and mature, allowing for strong revenues and/or re-contracting opportunities after the feed-in-tariff period.
- 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.

- RWE Innogy, a global leader in renewable energy with interest in approximately 8,000 MW of operating and development offshore wind assets, will retain a 15% equity interest in the projects.
- The project is currently staffed with a high quality project management team who will continue to support the execution of the project on-time and on-budget, with oversight from Northland and RWE.
- The total estimated project cost is €1.2 billion and, once operational, it is expected to generate over 1,300 gigawatt hours of electricity per year from 54 wind turbines, enough to meet the needs of 400,000 German households.
- Strong economic and structural project fundamentals have been structured to attract competitive non-recourse bank financing for approximately 70% of project cost.
- The project will be executed using five supply, installation and/or construction related contracts. Sufficient time buffers between phases of construction exist to mitigate interface risk and each of the contracts assumes all costs associated with weather delay.
- The acquisition of Nordsee One includes rights to develop two additional projects in the future totalling 670 MW. The project partners expect the development of these two projects to continue, in preparation for an eventual financing over the next decade as off shore wind tariffs are extended and the grid infrastructure is made available.

Project Management and Execution:

- Northland will actively participate in the project by taking a lead role during the remainder of the development period as well as during construction and operations. The cooperation between Northland, an independent power producer with long experience in project finance and project management, and RWE, a large, diversified utility with extensive technical resources, blends critical skill sets to ensure the effective completion of this project.
- Development and construction will be executed by the project company Nordsee One GmbH, which was formed in 2009. The company is lead by two experienced executives and a team of experienced professionals with engineering, technical, commercial contracting, permitting, finance, operating, and EH&S expertise. Northland and RWE will provide active ongoing oversight of the project company.
- Northland will second senior staff to work full-time in Europe throughout the remainder of development and construction. In addition, Northland's executive team is committed to increasing its time spent on Nordsee and Gemini.

- RWE Innogy will provide additional project management services and technical support under contract through its highly experienced offshore team, who have been involved in project development and execution since 2008.
- Northland's Board will support the project's successful execution by expanding the special committee that was formed for Gemini to include Nordsee in order to provide additional senior oversight of Northland's investment.

Northland Power's Offshore Wind Strategy:

- Northland Power's objective in Europe is to build a leading offshore wind platform with a full range of operating, development and investment assets, supporting further growth on a continental basis. The acquisition of the Nordsee projects contributes to the achievement of this objective.
- Europe is a key focus for Northland, given its sizable share of the world economy and strong support for renewable energy policy.
- Nordsee One will leverage Northland's Gemini experience and brings potential to increase Northland's offshore portfolio to over 1,200 MW (net to Northland) over the next decade.

Investment & Financial Highlights:

- The project is expected to be highly accretive on a free cash flow per share basis to Northland upon its completion in 2017, and provide strong project returns commensurate with Northland's investment criteria.
- Total estimated project cost is €1.2 billion, to be funded by approximately 70% of non-recourse project finance debt.
- Northland's total investment for its share purchase and project equity is expected to be approximately €285 million (approximately CAD 420 million). Similar to Project Gemini, this investment will be sourced from a number of resources, including cash on hand, Northland's credit facilities, and by raising preferred and common shares from private placements and/or the capital markets prior to the project's financial close in the first half of 2015.
- The capital raised for Nordsee One is expected to result in a further 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 bridge the payout of the current dividend in excess of free cash flow during this period. We expect the payout ratio on an all-cash dividend basis

(including the benefit of the Dividend Reinvestment Program) will continue to be below 100% during this period.

- Northland reaffirms its commitment to maintaining its dividend well into the future as a top priority for management. The significant cash flows expected from the Nordsee One project will further support the long-term stability of the dividend.

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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.