

April 14, 2016

ONTARIO POWER GENERATION INC. REPORTS HYDRO ONE SHARE OWNERSHIP *Pursuant to OSC Rule 62-504*

Toronto – Ontario Power Generation Inc. (the “**Corporation**”) today announced that it has acquired 9,000,000 common shares of Hydro One Limited (“**Hydro One**”). The Corporation has filed a report of its ownership of common shares of Hydro One pursuant to OSC Rule 62-504 and corresponding provisions of applicable securities laws in other Canadian jurisdictions, which require disclosure of shareholdings in publicly traded companies by significant shareholders and their related entities.

During 2015, the Corporation entered into renewed three-year collective agreements with each of the Power Workers’ Union (“**PWU**”) and The Society of Energy Professionals (“**The Society**”). Changes to the respective collective agreements included increases to employee pension plan contributions. The changes to the collective agreements also provide existing employees represented by the PWU and The Society with eligibility to annually receive common shares of Hydro One for up to 15 years starting in the third year of the respective agreements. The Corporation’s acquisition today of Hydro One common shares is being made for investment purposes, to mitigate the risk of future price increases in meeting its future share delivery obligations under the collective agreements. The Hydro One common shares acquired in this transaction represent the substantial majority of the Corporation’s currently anticipated purchases of Hydro One shares. The Corporation continually reviews its investment alternatives and options to meet its future share delivery obligations and may purchase or sell common shares of Hydro One, or enter into derivative instruments relating to such shares, from time to time in accordance with applicable laws.

After completing the purchase, the Corporation owns 9,000,000 common shares of Hydro One, representing approximately 1.5% of the common shares of Hydro One.

The Corporation acquired the Hydro One common shares as part of a bought deal (firm commitment) offering by the Province of Ontario (the “**Province**”) through a syndicate of underwriters of a total of 72,434,800 Hydro One common shares at a price of \$23.65 per share (the “**Offering**”). In addition, the Province granted to the underwriters an over-allotment option, exercisable for a period of 30 days following the closing of the Offering, to purchase up to an additional 10,865,200 common shares of Hydro One at a price of \$23.65 per share. The Corporation’s purchase of the Hydro One shares is not subject to the take-over bid rules of applicable securities laws, as the Corporation paid the same price as other investors in the Offering, and that price does not exceed 115% of the market price of Hydro One’s common shares, consistent with section 100.1 of the Ontario Securities Act.

The Province is the sole shareholder of the Corporation and, accordingly, the Province and the Corporation may be considered “joint actors” under applicable securities laws. Under OSC Rule 62-504, the shareholdings of the Province and the Corporation may be

aggregated for purposes of reporting and other obligations under applicable securities laws. The Corporation understands that after completing the Offering, the Province owns 427,668,860 common shares of Hydro One, representing approximately 71.9% of the common shares of Hydro One. If the underwriters' over-allotment option is exercised in full, the Province would own 416,803,660 common shares of Hydro One, representing approximately 70.1% of the common shares of Hydro One. If the Hydro One shares owned by the Corporation are included with the Province's shareholdings, the Province would own 436,668,860 common shares of Hydro One, representing approximately 73.4% of the common shares of Hydro One (425,803,660 common shares of Hydro One, representing approximately 71.6% of the common shares of Hydro One, if the underwriters' over-allotment option is exercised in full). The Corporation independently made the decision to purchase Hydro One common shares in the Offering and does not have any agreement, arrangement or understanding with the Province with respect to Hydro One common shares or the voting of those shares.

A copy of the Corporation's share ownership report may be found on Hydro One's SEDAR profile, at www.sedar.com. The Province files separate share ownership reports on Hydro One's SEDAR profile, which contain additional information about its holdings of Hydro One common shares and its investment intentions and other agreements with Hydro One.

The Corporation is the beneficial owner of the shares referred to above:

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SOURCE: Ontario Power Generation Inc.

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For further information, please contact:

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