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OPG COMPLETES PROJECT FINANCING FOR LOWER MATTAGAMI RIVER PROJECT

[Toronto]: Ontario Power Generation Inc. (OPG) has reached the financial close of a \$220 million private placement bond offering to complete the project financing for the redevelopment and expansion of four hydroelectric generating stations on the lower part of the Mattagami River.

The bonds were issued by Lower Mattagami Energy Limited Partnership (LMELP) - a limited partnership between OPG - as the sole general partner, and LM Energy Inc., a wholly-owned subsidiary of OPG. LMELP reached financial close of the \$220 million private placement issue of senior secured bonds at a fixed 2.307 per cent annual interest rate due Oct. 21, 2026.

This is the seventh issue of senior secured bonds used to refinance commercial paper or other indebtedness, which collectively completes the \$1.8 billion debt financing required for the project.

The re-development and expansion of four hydroelectric generating stations utilizes available water more efficiently, and increases production of clean and renewable electricity. One additional generating unit was added to each of three existing stations – Little Long, Harmon and Kipling. The fourth station – Smoky Falls - was decommissioned and replaced by a new, three-unit, 267 megawatt (MW) generating station. The expanded Lower Mattagami River Complex has a total generating capacity of 924 MW, an increase of 438 MW.

Construction began in June 2010 and all new units were declared in service by the end of 2014, ahead of their respective target completion dates and below budget.

The bonds received a long-term credit rating of 'A (high)' by Dominion Bond Rating Service, and 'A2' by Moody's. The redevelopment and expansion is supported by a long term Hydroelectric Energy Supply Agreement with the Independent Electricity System Operator, formerly known as the Ontario Power Authority.

The Moose Cree First Nation through its subsidiary Amisk-oo-Skow Finance Corporation owns a 25 per cent equity interest of the entity that owns the

expansion assets, the additional units at each of the three existing stations and the new Smoky Falls station.

OPG provides about half of the electricity used in Ontario, and more than 99 per cent of the power it produces has no greenhouse gas or smog emissions. OPG's power is priced 40 per cent lower than other generators, which helps moderate customer bills.

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