

## Algonquin Power Income Fund

September 27th, 2002

### Algonquin Announces New Issue and Confirms Switch to Monthly Distributions

Toronto, Ontario - Algonquin Power Income Fund (the "Fund") of Oakville, Ontario announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Nesbitt Burns Inc. and National Bank Financial Inc. under which the underwriters have agreed to buy 8,600,000 Trust Units from Algonquin and sell to the public at a price of \$9.90 per Trust Unit, representing an aggregate amount of issue of \$85,140,000. Algonquin has granted the underwriters an option to purchase up to an additional 1,520,000 Trust Units, exercisable until 48 hours prior to the closing date, expected on or about October 16, 2002.

In addition, the Fund is pleased to confirm that, commencing with the month ending October 31, 2002, the frequency of cash distributions to holders of the Fund's Trust Units will be changed from quarterly to monthly. "We believe monthly distributions will be welcomed by those investors who rely on our distributions" commented Ian Robertson, a senior manager of the Fund. The Fund currently has 57,937,612 Trust Units issued and outstanding.

The energy assets owned by the Fund have been consolidated into three operating divisions reflecting the common characteristics of the asset classes. The Hydroelectric Division holds direct and indirect equity interests in 47 hydroelectric generating facilities located in Ontario (5), Quebec (12), Newfoundland (1), Alberta (1), New York State (12), New Hampshire (13), New Jersey (1) and Vermont (2) representing aggregate installed generating capacity of approximately 140MW; the Cogeneration Division is comprised of two natural gas fired generating stations representing approximately 57MW of installed capacity located in California and New Jersey and minority term investments in three natural gas fired generating facilities with combined installed capacity of approximately 290MW located across Ontario; the Alternative Fuels Division is comprised of one 10MW energy-from-waste facility located in Ontario, one 1.6MW landfill gas powered generating station located in Illinois and partnership, share and debt interests in three bio-mass fired generating facilities with combined installed capacity of approximately 70MW located in Alberta, Quebec and Nova Scotia. In addition to its electricity generating asset portfolio, the Fund's Infrastructure subsidiary owns three water distribution and wastewater handling facilities located in Arizona.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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