



Nordsee One Reaches Financial Close

Toronto, Ontario – March 19, 2015 - Northland Power Inc. ("**Northland**") (TSX: NPI) (TSX:NPI.PR.A) (TSX: NPI.PR.C) (TSX: NPI.DB.B) (TSX: NPI.DB.C) and RWE Innogy GmbH, Essen ("**RWE**"), today announced that the €1.2 billion Nordsee One project has reached financial close, with all of the equity contributed to the project and all debt required for the project now fully committed by the project lenders. Northland owns 85% of the 332MW offshore wind farm to be located 40 kilometers off the coast of Germany, and RWE retains the remaining 15% interest.

Approximately 70% of the project's required costs will be provided from an €840 million non-recourse secured construction and term loan and related loan facilities from ten international commercial lenders. Reflecting the strength of Nordsee One, the financing was oversubscribed. The lending group includes ABN AMRO, Bank of Montreal, Commerzbank, Export Development Canada, Helaba, KfW IPEX, National Bank of Canada, Natixis, Rabobank and The Bank of Tokyo-Mitsubishi.

"We are very pleased to announce this important milestone," noted John Brace, CEO of Northland. "The financing for Nordsee One was completed quickly for a project of this size, thanks to the skill and diligence of the project's financiers and advisors, and the overall quality of the project. Today's announcement underscores Northland's ability to deliver sustained growth and strong results, and our commitment to becoming a leader in the rapidly growing offshore wind industry."

Nordsee One is entitled to a feed-in tariff subsidy under the German Renewable Energy Act. A substantial portion of the project returns are earned during the feed-in-tariff period, while the remainder of the planned returns are expected from the robust and mature German wholesale electricity market.

Senvion SE, a German based company and one of the largest turbine suppliers to the offshore wind industry, will supply, install, and maintain the 54 wind turbine generators for the project, each with a 6.15 MW capacity. The balance of plant will be engineered and constructed by four experienced offshore wind contractors.

"Today we have good news for Germany's offshore plans and for the energy transition in general," said Hans Bunting, CEO of RWE Innogy. "By signing the contract today, we have created the financial foundation for realising the Nordsee One Wind Farm jointly with Northland Power. This is consistent with our strategy of developing partnerships to spread the high costs of realising large offshore projects across several shoulders. This facilitates the best possible utilisation of both partners' expertise and experience."

"I would like to thank our partner RWE for their expertise, support and cooperation throughout the final stages of development and financing," added Sean Durfy, President and Chief Development Officer of Northland. "I would also like to acknowledge the efforts of the team, who demonstrated their proficiency in development and project finance by completing this process in only six months. The integration of the Northland, RWE and Nordsee One teams was seamless, and we will continue to work



closely together throughout construction, which will be executed by a team of highly experienced offshore wind professionals.”

The project is located 40 kilometers north of Juist Island in German territorial waters with shallow water and high wind speeds – ideal conditions for an offshore wind farm. Once operational, Nordsee One is expected to generate over 1,200 gigawatt hours of electricity per year, enough to meet the needs of approximately 400,000 German households. Offshore wind development is a key feature of Germany’s ‘Energiewende’ program, the official policy supporting renewable power generation with a stated goal for offshore wind capacity of 6.5 GW of installed capacity by 2020 and 15 GW by 2030.

“This important milestone is the achievement of a long development process and allows the construction work to start. It is the result of the work of a dedicated project team which we are very proud to lead and it represents a cornerstone of Germany’s energy transition process. We as Nordsee One are proud to contribute to this challenging endeavour,” said Pierre Lestienne and Tim Kittelhake, the joint managing directors of the project.

The Project was advised by Green Giraffe (financial), Linklaters (legal), Chatham (hedging). The banks were advised by Clifford Chance (legal), Sgurr (technical), Benatar (insurance), Corality (model audit) and EY (tax).

Northland and RWE also jointly own two early-stage development projects, Nordsee Two and Nordsee Three, each with the same ownership levels as Nordsee One (85% and 15% respectively). These projects, totaling approximately 670 MW, are anticipated to be developed over the next decade as offshore wind tariffs are extended and the grid infrastructure is made available.

ABOUT NORTHLAND

Northland is an independent power producer founded in 1987, and publicly traded since 1997. Northland develops, builds, owns and operates facilities that produce 'clean' (natural gas) and 'green' (wind, solar, and hydro) energy, providing sustainable long-term value to shareholders, stakeholders, and host communities.

The Company owns or has a net economic interest in 1,345 MW of operating generating capacity and 972 MW (682 MW net to Northland) of generating capacity under construction, including a 60% equity stake in Gemini, a 600 MW offshore wind project, and an 85% equity stake in Nordsee One, a 332 MW offshore wind project, both located in the North Sea; as well as a 100 MW onshore wind farm in Grand Bend, Ontario currently in advanced development. Northland's cash flows are diversified over four geographically separate regions and regulatory jurisdictions in Canada and Europe.

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Northland's common shares, Series 1 and Series 3 preferred shares and Series B and Series C convertible debentures trade on the Toronto Stock Exchange under the symbols NPI, NPI.PR.A, NPI.PR.C, NPI.DB.B, and NPI.DB.C, respectively.

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 Nordsee One's construction and returns, future adjusted EBITDA, free cash flows, dividend payment and dividend payout ratios, the construction, completion, attainment of commercial operations, cost and output of development projects, plans for raising capital, and the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of Northland and its subsidiaries. These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the design specifications of development projects, the provisions of contracts to which Northland or a subsidiary is a party, 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, construction risks, counterparty risks, operational risks, foreign exchange rates, regulatory risks, maritime risks for construction and operation, 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 2014 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 March 19, 2015. 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.



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