



Macquarie Power & Infrastructure Income Fund Investor eNewsletter

March 2010

Macquarie Power & Infrastructure Income Fund's bi-monthly investor newsletter brings you updates about MPT's assets and activities as well as our views on news and market developments. To subscribe, email us at mpt@macquarie.com.

Quick Facts

Ticker Symbols

MPT.UN; MPT.DB.A

Trust Units Outstanding

49,912,167*

Recent Trading Price

\$7.02 (as at March 8, 2010)

52-week High/Low

\$7.17 - \$4.15

Average Monthly Volume

~2 million units

Number of Unitholders

~19,500

* As at December 31, 2009, including 3,249,390 Class B Exchangeable Units

Feedback

We encourage readers to share their feedback and ideas for future eNewsletters or our investor relations website. Let us know what you think by emailing us at mpt@macquarie.com.

Website

Visit MPT's website at <http://www.macquarie.com/mpt> to read more about our portfolio of assets and to access investor relations information.

Disclaimer

Certain of the statements contained in this eNewsletter are forward-looking and reflect management's expectations regarding the Fund's future growth, results of operations, performance and business based on information currently available to the Fund. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "estimate", "believe" or other similar words.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. The forward-looking statements in this eNewsletter are based on information currently available and what the Fund currently believes are reasonable assumptions, including the material assumptions for each of the Fund's assets set out in the Fund's 2009 Annual Report under the heading "Outlook", as updated in subsequently filed quarterly financial reports of the Fund, which are available on SEDAR at <http://www.sedar.com>. Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include the assumption that the business and economic conditions affecting the Fund's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes and interest rates and that there will be no unplanned material changes to the Fund's facilities, equipment and contractual arrangements. Although the Fund believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons, including risks related to: operational performance; power purchase agreements; fuel costs and supply; contract performance; default under credit agreements; land tenure and related rights; regulatory regime and permits; force majeure; changes in federal tax rules for flow-through entities; other tax-related risks; variability of distributions; geographic concentration and non-diversification; dependence on the manager and potential conflicts of interest; insurance; environmental, health and safety; availability of financing; unitholder dilution; volatile market price for units; international financial reporting standards; nature of units; and unitholder liability.

The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of the Fund as at the date of this eNewsletter and speak only as at the date of this eNewsletter. The Fund does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

The Fund is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that act or any other legislation.

None of the entities noted in this eNewsletter is an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of these entities.



A positive long-term outlook for Cardinal Power

Cardinal Power is located adjacent to Canada Starch Operating Company's (Casco) Cardinal, Ontario manufacturing facility, providing steam, compressed air and electricity for Casco's operations.

Ontario's non-utility generators (NUGs), including Cardinal Power, sell the electricity they generate under long-term power purchase agreements (PPAs). These PPAs begin to expire over the next few years, with Cardinal Power's existing agreement concluding in 2014.

As a result, a key priority for MPT in 2010 is to initiate and advance discussions with the Ontario Power Authority (OPA) regarding a new PPA for Cardinal Power, which currently represents about half of MPT's distributable cash.

"We believe that momentum is building for a directive to be issued by the Ministry of Energy and Infrastructure to the OPA in the first half of 2010, which will form the basis for re-negotiation of NUG contracts," said Michael Bernstein, the Fund's President and Chief Executive Officer. "We've been working directly with our stakeholders to demonstrate Cardinal's value and economic contribution as well as through the Association of Power Producers of Ontario to raise the profile of this important issue."

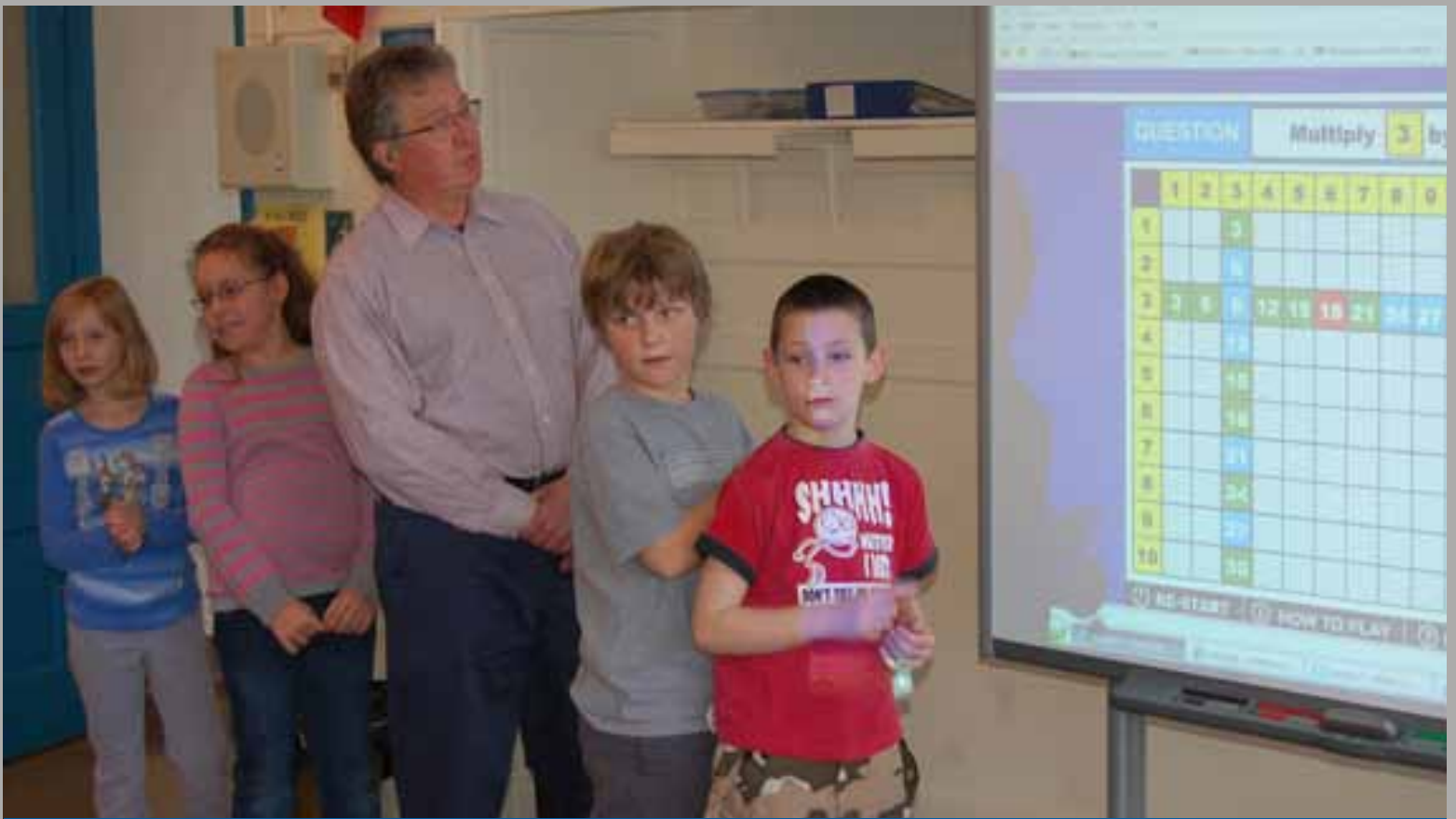
Overall, the current market environment is favourable for high quality NUGs such as Cardinal Power. First, NUGs play a central role in maintaining the stability and flexibility of Ontario's electrical grid, particularly with the planned retirement of coal-fired facilities in the next few years and the influx of renewable power generation. Additionally, NUGs such as Cardinal Power can be reconfigured to run as peaking or intermediate facilities, thereby resulting in cost savings for the province of Ontario and for ratepayers. Gas cogeneration is also an environmentally-preferred form of power generation, so these facilities help the government to meet its green energy and climate change mandates.

Further, Cardinal Power provides Casco, its steam host, with cost-effective steam and compressed air for use in its Cardinal, Ontario production facility. Together, Cardinal Power and Casco employ 230 people in the Cardinal area, making them a significant contributor to the region's economic strength. Cardinal Power also provides free heat to Benson Public School, located next to the facility, as well as essential power back up for the town's sewage system.

"We believe that Cardinal Power's unique attributes, economic and community importance, and strong operational performance position it for long life," continued Mr. Bernstein. "We expect to make solid progress on this issue over the course of 2010."

Did you know?

Together, the 15 largest NUG facilities in Ontario represent about 1,215 MW of installed capacity, making a vital contribution to the reliability of Ontario's electricity system. Cardinal Power is one of the most reliable gas cogeneration facilities in Ontario, with a five-year average availability of 97.8%.



Managing our businesses responsibly

Dennis Dmytrow, Cardinal Power's manager helps grade three and four students to demonstrate a new SMART board learning tool. The tool was purchased by Benson Public School using funds donated by Cardinal Power.

As physical assets that provide an essential service, our infrastructure businesses have a social impact that we endeavour to manage responsibly. Our businesses seek to minimize their environmental footprint and to demonstrate their commitment to social responsibility.

Cardinal Power, for example, offers financial support to *Cardinal in Bloom*, an annual beautification program that it initiated for the town of Cardinal that includes flower baskets and gardens tended by volunteers. Every year, Cardinal contributes to *Christmas is for Kids*, a holiday celebration for local children. The facility also supports local schools, providing two bursaries for high-achieving secondary school students as well as the science and technology award at the local elementary school, to which the facility also donates computers and other educational tools.

Likewise, Erie Shores has emerged as an important community attraction, and the facility's employees conduct numerous tours for industry associations, students and other stakeholders to help build and broaden knowledge about wind power in Canada. Erie Shores also contributes to a local wind power interpretive centre that showcases the region's leadership in embracing wind power.

Did you know?

Cardinal Power has not experienced an accident in 13 years, reflecting the facility's commitment to ongoing training, education and safety.



The long life of hydro power facilities

The Dryden hydro power facility was originally built more than 70 years ago to serve the region's pulp and paper industry.

Hydro power facilities generally have low operational and maintenance costs as well as a very long service life. These two characteristics help to make hydro power facilities an attractive investment opportunity as well as economical for ratepayers.

The Dryden hydro power facility, which sells the electricity it generates to the Ontario Electricity Financial Corporation, originally dates to the 1920s and 1930s, when it was built to provide power to the pulp and paper industry in the town of Dryden, Ontario. This 3 MW facility is comprised of three run-of-river generating stations: Eagle River, McKenzie Falls and Wainwright.

While the Dryden facility was refurbished in 1986, the turbine and supporting systems at the Wainwright station are about 50 years old. Through late 2009 and early 2010, MPT replaced the turbine at the 1 MW Wainwright station.

According to Rob Roberti, Senior Vice President, Macquarie Capital Funds, who manages MPT's hydro power facilities, it is not uncommon for turbines to operate for this long. "Turbines of this kind typically have a useful life of about 30 years, which can be extended to an average of 50 years through regular maintenance and repairs. The Eagle River station, for example, still has its original turbine from the 1920s."

With the completion of the Wainwright project, which included the design, manufacture and installation of a new turbine and distributor system, the Wainwright station is expected to continue to operate smoothly for decades.

Did you know?

Two-thirds of electricity in Canada is derived from hydro power. According to the Hydro Power Association of Canada, replacing the electricity generated by hydro power facilities in Canada today would require 560 million barrels of oil annually.



MPT announces fourth quarter and year-end results

On March 3, 2010, MPT held a conference call to discuss the Fund's fourth quarter and fiscal 2009 performance.

"Fiscal 2009 was a year of change for MPT, with a new management team and a new independent trustee to complement our Board's existing strength," said Michael Bernstein, the Fund's President and CEO. "While we faced some operational challenges along the way, we returned to strong performance in the fourth quarter. In addition, we have a stronger balance sheet and capacity to add new investments to our portfolio in 2010 and beyond."

A copy of the [news release](#) and an archive of the [webcast](#) are available on the Fund's website.