Macquarie Power & Infrastructure Income Fund

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TSX/MEDIA RELEASE

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND ANNOUNCES NEW DISTRIBUTION POLICY AND CORPORATE CONVERSION

- *New distribution policy to be effective January 2010*
- *Fund to convert into dividend-paying corporation prior to January 1, 2011*
- *Continuing to pursue appropriate growth opportunities that will diversify the Fund's portfolio and extend its cash flow profile*

MACQUARIE

TORONTO, ONTARIO (September 29, 2009) – Macquarie Power & Infrastructure Income Fund (TSX: MPT.UN; MPT.DB – "MPT" or the "Fund") today announced that its Board of Trustees has approved a new distribution policy for the Fund effective January 2010. The Board of Trustees has also announced the Fund's decision, subject to unitholder and other approvals, to convert into a publicly traded dividend-paying corporation (the "Conversion") prior to January 1, 2011.

"The Fund's objective is to provide investors with an attractive return that is sustainable through 2011 and beyond," said Michael Bernstein, President and Chief Executive Officer of MPT. "Our new distribution policy will help us to deliver on that goal while further strengthening our financial position. Over time, it will also give us the flexibility to redeploy cash to prudent growth opportunities."

Mr. Bernstein continued, "While our new distribution policy will commence January 2010, we believe that it makes sense to maintain MPT's non-taxable trust structure for as long as reasonable. Following our conversion, we will continue to utilize the Fund's accumulated tax pools while gaining better access to the capital markets."

New Distribution Policy

Effective January 2010, unitholders will receive monthly distributions of $0.0550 per unit, or $0.66 per unit on an annualized basis, compared with MPT's current monthly distribution of $0.08750 per unit, or $1.05 per unit annually. Based on the Fund's current portfolio and outlook, the new distribution level is expected to be sustainable for the foreseeable future. The Fund currently expects the new distribution level to result in an average payout ratio of approximately 70% - 75% of distributable cash* over a five-year period.

In approving the new distribution policy and corporate conversion, the Board of Trustees and management considered the:

- Impact of taxation in 2011, which will apply an approximately 29% tax on the Fund's taxable income, thereby reducing the amount of cash available for distribution to unitholders;
- Expiry of the Cardinal gas cogeneration facility's ("Cardinal") power purchase agreement ("PPA") in 2014 and the current uncertainty regarding the terms of any future contract. Cardinal currently contributes approximately 50% of the Fund's distributable cash;
- Strengthening of the Fund's financial flexibility;
- Enhanced ability to pursue growth initiatives that will diversify and increase the value of the Fund's portfolio while extending the Fund's cash flow profile; and the

- Benefit of positioning the Fund to attract new investors, improve access to capital and achieve improved liquidity for investors.

Distribution Guidance for 2009
"Our new distribution policy meets our prior commitment to investors to maintain our distributions at $1.05 per unit for 2009," said Mr. Bernstein. "While we have the financial flexibility to deliver on that commitment, a payout ratio in excess of 100% is not sustainable or prudent over the long term."

For 2009, the Fund anticipates maintaining distributions to unitholders of $1.05 per unit. Based on management's current operational outlook for 2009 as well as the impact of the refinancing completed in May, the Fund expects distributions to unitholders in 2009 to slightly exceed 100% of the Fund's distributable cash. The Fund's general reserve account can be drawn on to support distributions to unitholders in 2009, if required. Approximately 50% of distributions paid to Canadian unitholders in 2009 are expected to be non-taxable as a return of capital.

Conversion to a Dividend-Paying Corporation
The Fund's management and Board of Trustees are of the view that the federal government's legislation related to specified investment flow-through ("SIFT") entities has significantly affected both the value and market acceptance of the income trust structure. Management believes that the Conversion will result in improved certainty and liquidity for investors as well as better access to capital.

Under the planned Conversion, the Fund's unitholders will receive one share in a publicly traded dividend-paying corporation in exchange for each MPT trust unit they hold. A management information circular in respect of the proposed Conversion will be mailed to unitholders.

The Conversion is intended to be undertaken on a tax-deferred basis for unitholders for Canadian and U.S. income tax purposes. MPT's understanding is that dividends paid in respect of shares held by Canadians outside of a Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF") or Deferred Profit Sharing Plan ("DPSP") will be eligible for the Canadian dividend tax credit. It is intended that dividends to U.S. investors will continue to be taxed for U.S. purposes as "qualified foreign dividends" to the extent that the dividends are paid out of current or accumulated earnings and profits provided all U.S. shareholder-level requirements are met, including satisfaction of the prescribed hold periods.

As MPT will remain a trust through 2010, unitholders will continue to receive distributions. The Fund currently anticipates that approximately 40% of distributions paid to Canadian investors in 2010 will be non-taxable as a return of capital.

The Fund's understanding is that distributions paid to U.S. resident individual unitholders in 2010 should be treated as dividends for U.S. federal income tax purposes to the extent the distributions are paid out of the Fund's current or accumulated earnings and profits. Distributions paid in excess of accumulated earnings and profits should be treated as a return of capital. The Fund has not yet estimated what portion of distributions in 2010, if any, will be a return of capital for U.S. tax purposes. This information is general in nature and is not exhaustive of all possible U.S. tax considerations. It is not intended to constitute legal or tax advice to any holder or potential holder of the Fund's trust units.

Outlook
"Our infrastructure businesses operate in regulated or contractually defined markets where demand for the essential services they provide is typically consistent throughout the economic cycle," said Mr. Bernstein. "Our businesses are fundamentally sound and are expected to continue to support a relatively high yield for our unitholders that compares favourably with many income-oriented investment alternatives. At the same time, we are continuing to pursue

growth opportunities with the intention of improving our long-term cash flow profile while building the Fund's size and scale."

As at June 30, 2009, the Fund had approximately $85 million available under its credit facility to pursue small to mid-sized transactions, including: power generation, particularly in the renewable power sector; electricity transmission and distribution; transportation and roads; long-term care; and other essential infrastructure assets across a range of categories from hospitals to water distribution, including through public-private partnerships.

Mr. Bernstein added, "As a trust and upon our conversion into a corporation, our continuing goal is to deliver a superior return to our investors. With the support of our investors, we intend to build MPT into Canada's leading publicly traded infrastructure investment vehicle."

* Distributable cash is defined as cash flows from operating activities after removing changes in working capital and cash taxes, and reflecting the impacts of releases from maintenance reserves, allocations to major maintenance and capital expenditure reserves, non-discretionary payments and receipts, and distributions from Leisureworld.

Conference Call and Webcast
Management of the Fund will hold a conference call today, Tuesday, September 29, 2009, at 5 p.m. ET to discuss the new distribution policy and conversion plan. The conference call will be accessible via webcast through the Fund's website with accompanying slides at www.macquarie.com/mpt and by telephone at 416-340-8018 or 1-866-223-7781 (North America). A replay of the call will be available until October 6, 2009 by dialling 416-695-5800 or 1-800-408-3053 and entering the passcode 4221667.

2009 Investor Day
The Fund will hold its fourth annual Investor Day on Wednesday, December 2, 2009 at the Toronto Board of Trade, in Toronto, Ontario, commencing at 4 p.m. ET. To register for this event or for more information, please email mpt@macquarie.com. The event and accompanying slides will also be available via live webcast at www.macquarie.com/mpt.

Distribution Reinvestment Plan (DRIP)
Eligible unitholders may elect to participate in the Fund's Distribution Reinvestment Plan. For more information about the DRIP, please visit the Fund's website at www.macquarie.com/mpt.

About the Fund
Macquarie Power & Infrastructure Income Fund invests in essential infrastructure assets in North America with an emphasis on power infrastructure. MPT's strategy is to acquire and actively manage a diverse, high quality portfolio of infrastructure assets to improve their financial performance and provide growing and sustainable distributions to unitholders. MPT's portfolio includes investments in gas cogeneration, wind, hydro and biomass power generating facilities, representing approximately 350 MW of installed capacity, and a 45% interest in Leisureworld Senior Care LP, a leading provider of long-term care, or social infrastructure, in Ontario. MPT is managed by a wholly-owned subsidiary of Macquarie Group Limited. Please visit www.macquarie.com/mpt for additional information.

Forward-looking Statements
Certain statements in this news release may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from any future results expressed or implied by such forward-looking statements. When used in the this news release, such statements use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. 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 contained in this news release 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 2008 Annual Report under the headings "Outlook" on pages 23 to 24, as updated in subsequently filed quarterly Financial Reports of the Fund. However, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release, and, except as required by law, the Fund does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The Fund cautions readers not to place undue reliance on any forward-looking statements contained in this news release. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

The forward-looking information contained in this news release is presented for the purposes of assisting investors and analysts in understanding the Fund's financial position and our stated priorities and objectives may not be appropriate for other purposes. The Fund cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, risks associated with: the operational performance of the Fund's assets; power purchase agreements; fuel costs, supply and transportation; default under credit agreements; regulatory regime and permits; land tenure and related rights; government regulation and funding; the ability to complete future acquisitions; LTC home ownership and operation; minority ownership interest in Leisureworld; reliance on key personnel; default under Leisureworld's long-term debt and credit facility; labour relations and cost; the variability of distributions; unitholder liability; dependence on Macquarie Power Management Ltd., the manager of the Fund, and potential conflicts of interest; insurance; and risks related to the environmental, health and safety regimes within which the Fund's assets operate. The risks and uncertainties described above are not exhaustive and other events and risk factors, including risk factors disclosed in Fund's filings with Canadian securities regulatory authorities, could cause actual results to differ materially from the results discussed in the forward-looking statements.

For further information, please contact:

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