

## **PRESS RELEASE – for immediate release**

### **ORILLIA POWER CORPORATION ANNOUNCES LONG - TERM POWER SALES AGREEMENT WITH THE PROVINCE OF ONTARIO**

Orillia, Ontario

January 28, 2010

Orillia Power Corporation announces that its wholly-owned subsidiary, Orillia Power Generation Corporation (“OPGC”) has entered into a long- term supply and pricing contract with the Ontario Power Authority for each of its generating stations.

Under the terms of the contracts, effective January 1, 2010, OPGC will sell all of its hydro electric power generated to The Ontario Power Authority at a guaranteed minimum price of 6.2 cents per kWh, plus additional payments for “on-peak” production in times of higher demand.

OPGC facilities comprise three water power hydro generating facilities with a combined capacity of 15 megawatts. On average these facilities generate approximately 80 million kWh of electricity annually. The agreement is for a 20 year period with OPGC options to terminate the agreement in years 8 and 15 if so desired.

These agreements provide long term price stability to OPGC for power generated by its facilities. It is expected that OPGC will realize significant revenue increases from historical averages and accordingly, after reinvestment to maintain these assets, will be able to provide the City of Orillia, as ultimate shareholder, with stable and reliable future cash flow returns annually.

“This agreement will enable our locally owned generation company to continue to provide significant benefits to the Orillia community and its citizens for many years to come. These improved generation prices received by OPGC will have no effect on power distribution rates charged by Orillia Power Distribution Corporation to deliver safe and reliable power to its Orillia customers. In addition, the province will benefit from the continued production of clean waterpower”, said John Mattinson, President of Orillia Power Corporation. We are very excited for our community as we enter 2010 and beyond.”

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