



BY EMAIL

October 6, 2020

Board Secretary
Ontario Energy Board (OEB)
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Attention: Board Secretary (boardsec@oeb.ca)

With a copy to: Irina Kuznetsova, Advisor (Irina.Kuznetsova@oeb.ca)

Re: Transfer of the Electricity Generation Licence (EG-2010-0151) issued by the Ontario Energy Board to Kruger Energy Inc.

Dear Madam, Sir,

Reference is made to the electricity generation license (EG-2010-0151) (the “**OEB License**”) issued on July 9, 2010 by the Ontario Energy Board (“**OEB**”) to Kruger Energy Inc. (“**KEI**”).

As part of an internal corporate reorganization expected to be completed on October 31, 2020 (the “**Reorganization**”), KEI proposes to transfer substantially all of its properties, operations, assets and liabilities, including the OEB License and the interests it holds in its subsidiaries, to a new limited partnership formed under the laws of Québec on December 12, 2019 named Kruger Energy L.P. (“**KEI LP**”). Without limiting the foregoing, all the interests held by KEI in the capital of its wholly-owned subsidiaries Kruger Energy Port Alma Limited Partnership (“**KEPA LP**”) and Kruger Energy Chatham Limited Partnership (“**KEC LP**”), and in the capital of their respective general partners, will be transferred to KEI LP as part of the Reorganization. After this transfer, KEI will be wind-up and cease existing.

KEI is a wholly-owned direct subsidiary of Kruger Inc. which operates the renewable energy division of the Kruger group. After closing of the Reorganization, KEI LP will also be a wholly-owned subsidiary of Kruger Inc. Its sole limited partner will be Kruger Inc. and its sole general partner will be Kruger Energy GP ULC, a wholly-owned direct subsidiary of Kruger Inc. As such, the Reorganization does not entail any change of control of Kruger’s renewable energy division or of its wholly-owned subsidiaries. A simplified corporate chart showing the corporate structure of KEI/KEI LP before and after closing of the Reorganization is attached hereto as Schedule A.

KEPA LP owns the Port Alma wind farm project (installed capacity of 101,2 MW) located in Port Alma, Ontario. KEPA LP is the holder of an electricity generator license (EG -2008-0027) issued by the OEB on April 28, 2008. The output of the Port Alma wind farm is sold to the Independent Electricity System Operator (“**IESO**”) pursuant to a Renewable Energy Supply II Contract dated as of November 21, 2005 between KEPA LP and IESO, as amended from time to

time (the “**KEPA PPA**”). KEI currently acts as operator and manager of the Port Alma wind farm pursuant to a management and support service agreement dated as of April 15, 2008 between KEI and KEPA LP (the “**KEPA MSA**”). As part of the Reorganization, all rights and obligations of KEI in the KEPA MSA will be transferred to KEI LP and, consequently, from and after closing of the Reorganization, KEI LP will take over the management and operation of the Port Alma wind farm, thus prompting the need to transfer the OEB Licence.

KEC LP owns the Chatham wind farm project (installed capacity of 99,4 MW) located in Chatham, Ontario. KEC LP is also the holder of an electricity generator license (EG-2010-0203) issued by the OEB on July 9, 2010. The output of the Chatham wind farm is sold to the IESO pursuant to a Renewable Energy Supply III Contract dated as of January 14, 2009 between KEC LP and IESO, as amended from time to time (the “**KEC PPA**”). KEI currently acts as operator and manager of the Chatham wind farm pursuant to a management and support service agreement dated as of April 16, 2010 between KEI and KEC LP (the “**KEC MSA**”). As part of the Reorganization, all rights and obligations of KEI in the KEC MSA will be transferred to KEI LP and, consequently, from and after closing of the Reorganization, KEI LP will take over the management and operation of the Chatham wind farm, thus also prompting the need to transfer the OEB Licence.

The transfer of the interest held by KEI in the capital of KEPA LP, KEC LP and their respective general partners is subject to the prior consent of the IESO pursuant to the KEPA PPA and KEC PPA. Such consent has already been obtained. The IESO, KEC and KEPA have executed consent agreements in that respect, which are being held in escrow pending closing of the Reorganization.

The Reorganization entails the transfer of substantially all assets of KEI to KEI LP, a new entity which has a different legal form. However, after closing of the Reorganization, KEI LP will continue all current business activities of KEI, with the same assets, resources and employees. Consequently, the transfer of the OEB License from KEI to KEI LP will not trigger any changes to (i) the OEB License holder’s ability to be a financially viable entity; (ii) the OEB License holder’s technical capability and experience with respect to activities covered by the OEB License; (iii) the past business history and conduct of the OEB License holder’s key individuals; (iv) the services and markets covered by the holder of the OEB License, (v) the OEB Licence holder’s contact information (except for its legal name), or (vi) any other information shown in the OEB Licence holder’s initial application for same.

The undersigned hereby kindly requests that the OEB authorizes and effects the transfer of the OEB Licence from KEI to KEI LP, upon the same terms and conditions as provided under the OEB License, effective as of the date of closing of the Reorganization which is scheduled to be October 31, 2020.

We appreciate that the transfer of the OEB Licence is being requested with a short notice and that given its customary processing timeline the OEB may not commit to have it transferred by October 31, 2020. We nevertheless trust that we may count on your collaboration to complete the transfer in a timely fashion. We will stand ready to provide any additional information you may require.

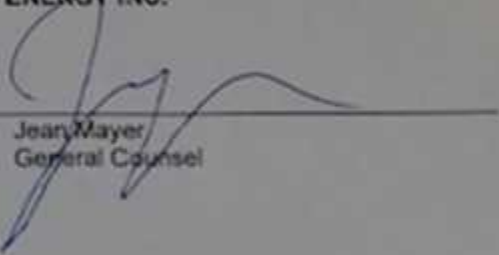
Should you have any questions with respect to the foregoing, please contact Jean Mayer at (514) 299-2481 or jean.mayer@kruger.com.

Yours truly,

[Signature Page is Next.]

KRUGER ENERGY INC.

By:



Jean Mayer
General Counsel