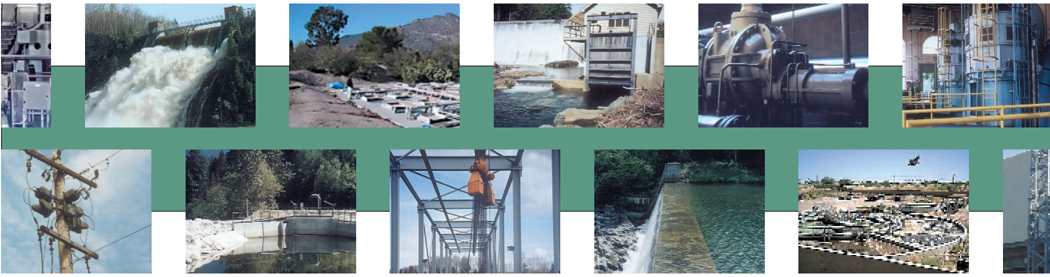


STABILITY AND GROWTH WITH PURPOSE

ALGONQUIN POWER Income Fund

THIRD QUARTER REPORT
SEPTEMBER 30, 2002

During the third quarter of 2002, the hydroelectric generating portfolio continued to perform below expectations as drought-like conditions continue to impact all the regions in which the Algonquin Power Income Fund (the "Fund") operates. The Fund's non-hydroelectric asset portfolio (alternative fuels, natural gas co-generation and infrastructure assets) performed in line with expectations.

For the nine months ended September 30, 2002, the addition of the cogeneration, alternative fuel and infrastructure assets helped offset weak hydrologic conditions.

The Fund distributed $0.23 per unit for the third quarter of 2002.

In July 2002, the Fund completed the compulsory acquisition of the remaining trust units of KMS Power Income Fund ("KMS") that were not deposited to the Trust's take-over bid for KMS which expired on March 7, 2002. As a result of the compulsory acquisition, the Trust is now the sole unitholder of KMS.

Subsequent to the end of the quarter, the Fund completed a public offering of 9,950,000 trust units at a price of $9.90 per trust unit for net proceeds of $93.6 million after deducting expenses of the offering, including the underwriters' fee.

On October 23, 2002, in accordance with the Fund's announced change from quarterly to monthly distributions, the Fund declared a cash distribution on its trust units of $0.0766 per trust unit to the unitholders of record on October 31, 2002. The distribution will be paid December 15, 2002.

In November 2002, the Fund acquired Tall Timbers Utility Company ("Tall Timbers") for approximately $3.5 million. Tall Timbers owns and operates a wastewater treatment facility servicing 1,037 customers in the Town of Tyler, Texas, approximately 140 km east of Dallas, Texas.

The Fund remains committed to maintaining and improving the stability of distributions to unitholders by improving the performance of the existing asset base and by acquiring assets that provide stable cash flow.

Respectfully submitted on behalf of the Trustees of Algonquin Power Income Fund.

K Moore

Ken Moore, Chairman

Operating Results

For the quarter ended September 30, 2002, the Fund reported total revenue of $25.1 million as compared to $8.2 million for the same period in 2001. Net loss for the quarter was $3.8 million compared to a profit of $1.8 million for the same period in 2001, primarily the result of a $ 4.5 million foreign exchange loss, of which $4.2 million is unrealized, resulting from the large swing in the US dollar versus the Canadian dollar from the second quarter to the third quarter. Net loss per trust unit was $0.07, as compared to a profit of $0.05 for the same period in 2001. For the third quarter, the Fund distributed $0.23 per trust unit, consistent with the same period in the prior year.

For the nine months ended September 30, 2002, the Fund reported total revenue of $69.1 million as compared to $32.0 million for the same period in 2001. Net earnings for the nine months ended September 30, 2002 were $12.7 million compared with $3.1 million for the same period in 2001. Net earning per trust unit was $0.23, as compared to $0.09 for the same period in 2001.

Hydroelectric

Third quarter revenues from hydroelectric generating assets were $6.6 million in 2002 compared to $6.3 million in 2001. Operating profit increased to $3.4 million from $3.0 million. For the nine months ended September 30, 2002, revenues from hydroelectric generating assets were $31.2 million in 2002 compared to $28.1 million in 2001. Over the nine month period hydrologic conditions in all regions were below long term averages. The increase in hydroelectric generating revenues is attributed to the addition of six hydroelectric generating facilities during 2001 that operated during all of 2002 and marginally improved hydrologic conditions during the second quarter of 2002. Operating profit increased to $20.5 million from $18.2 million in 2001.

Natural gas co-generation

Third quarter revenue from co-generation assets totaled $10.3 million. The Fund acquired co-generation assets through the acquisition of interests during the fourth quarter of 2001 and the acquisitions of KMS in the first quarter and the Sanger co-generation facility in the second quarter. Operating profit for the third quarter of 2002 totaled $5.6 million. Revenues from co-generation assets for the nine months ended September 30, 2002 totaled $19.2 million. Operating profit for this period totaled $11.2 million. These facilities are operating in accordance with expectations.

Alternative fuels

Third quarter revenues from alternative fuels assets totaled $5.2 million. In March 2002, the Fund acquired two KMS facilities. During the third quarter of 2001 the Fund acquired 50%

of the Drayton Valley Facility, an alternative fuel asset. Operating profit for this period amounted to $2.2 million. Revenues from alternative fuel assets for the nine months ended September 30, 2002 totalled $12.2 million. Operating profit for this period amounted to $5.3 million. These facilities are operating in accordance with expectations.

Infrastructure

For the third quarter of 2002, infrastructure revenues totaled $2.6 million, compared to $1.0 million in infrastructure revenue in the prior year. The Fund acquired one infrastructure facility during the first quarter of 2001 and another during the third quarter of 2001, during the second quarter of 2002, the Fund acquired a third infrastructure facility. Operating profit for the third quarter was $1.4 million compared to $0.7 million for the same period in the prior year. For the nine months ended September 30, 2002, infrastructure revenues totalled $5.6 million compared to $1.5 million during the same period of 2001. Operating profit amounted to $3.0 million, compared to $1.0 million during the same period of 2001. These facilities are operating in accordance with expectations.

Expenses

Administrative expenses increased from the prior year as a result of the additional costs associated with the growth of the Fund. Additional expenses were incurred for various professional fees and taxes other than income taxes.

The Fund's interest expense increased during the third quarter as a result of the increase in the revolving credit facility and the addition of long term debt as a result of the acquisition of the Sanger and Bella Vista Water facilities. For the nine months ended September 30, 2002, interest expense was slightly higher than the prior year due to the additional interest resulting from the additional debt incurred as a result of the two acquisitions made during the second quarter of 2002.

The Fund incurred a $4.5 million foreign exchange loss of which $4.2 million was unrealized. At the end of the third quarter, the Fund had US $60.5 million of US dollar denominated long term debt and debt on the line of credit resulting from the acquisition of facilities in the United States.

Cash Flow

During the third quarter of 2002, the Fund generated $12.8 million in distributable cash from its operations. The Fund paid $13.3 million in quarterly distributions. For the nine months ended September 30, 2002, the Fund generated $36.6 million in distributable cash and paid $39.6 million in distributions. The current quarter shortfall was offset by positive results achieved during the second quarter. The year to date shortfall was driven by poor hydrology during the first quarter and was supplemented with reserves.

Distributable Cash

$ millions

		Three months ended September 30		Nine months ended Septmeber 30	
		2002	**2001**	**2002**	**2001**
Net earnings after adjusting for items not affecting cash		9.2	2.0	31.4	14.6
Add:	Receipt on Notes	0.6	0.1	1.6	6.5
	Proceeds from sale of Bakery	0.9		0.9	
	Peel Region grant	1.7		1.7	
	Other items	0.8		2.5	
Less:	Payment on Notes	(0.1)	(0.1)	(0.8)	(0.5)
	Other items	(0.3)		(0.7)	
Distributable cash generated		12.8	2.0	36.6	20.6

At September 30, 2002, the Fund had $1.2 million of positive working capital.

Acquisition / Disposal Activities

In July, 2002, the Fund completed the compulsory acquisition of the remaining trust units of KMS Power Income Fund (“KMS”) that were not deposited to the Fund’s take-over bid for KMS which expired on March 7, 2002. As a result of the compulsory acquisition pursuant to the KMS declaration of trust, the Fund is now the sole unitholder of KMS. The Fund issued 0.7428 trust units of the Fund for each remaining KMS trust unit, the same consideration that the Fund offered in the take-over bid. A total of 713,616 trust units of the Fund were issued in connection with the compulsory acquisition, having an ascribed value of approximately $7.3 million.

Under the terms of the Energy Services Contract between a KMS facility and a third party, the third party executed its right of purchase and purchased the capital assets of a small KMS cogeneration facility on August 13, 2002. The purchase price was $0.9 which was consistent with the book value of the assets.

Outlook

Subsequent to the end of the quarter, the Fund completed a public offering of 9,950,000 trust units at a price of $9.90 per trust unit for net proceeds of $93.6 million after deducting expenses of the offering, including the underwriters' fee of $4.9 million.The Fund has declared a cash distribution on its trust units of $0.0766 per trust unit to the unitholders of record on October 31, 2002. The frequency of cash distributions has been changed from quarterly to monthly commencing with the month of October, 2002.

In November 2002, the Fund acquired Tall Timbers Utility Company ("Tall Timbers"). Tall Timbers owns and operates a wastewater treatment facility in the Town of Tyler, Texas, approximately 140 km east of Dallas, Texas. The facility currently services 1,037 customers. The aggregate purchase price of $3.5 million (US$ 2.2 million) was satisfied with funds from the latest public offering.

Production of Consolidated Portfolio Assets

	Three Months Ended September 30		Nine Months Ended September 30	
	2002	**2001**	**2002**	**2001**
Hydro				
Electrical production (MWhrs)				
New York Region	3,282	5,334	48,252	30,794
New England Region	3,802	4,610	34,700	61,931
Ontario Region	25,829	24,260	96,976	79,500
Quebec Region	52,563	52,109	194,604	176,751
Western Region	17,549	7,416	36,612	7,416
Cogeneration				
Electrical production (MWhrs)	44,077			72,993
Alternative Fuel				
Electrical production (MWhrs)	25,999	6,153	60,463	6,153
Throughput on waste operations (tonnes)	39,088			89,967
Infrastructure				
Customers	12,534	4,597	12,534	4,597

Consolidated Balance Sheets

September 30, 2002 and December 31, 2001

(THOUSANDS OF CANADIAN DOLLARS)

	September 30, 2002 Unaudited	December 31, 2001
Assets		
Current assets		
Cash and cash equivalents	$ 18,988	$ 31,713
Accounts receivable	15,882	8,864
Prepaid expenses	1,364	477
Current portion of notes receivable	1,257	1,176
Future income tax asset	398	216
	37,889	42,446
Long term investments	65,110	107,099
Capital assets, net of amortization	605,205	359,037
Funds held in reserve	2,979	3,210
Deferred costs	1,321	592
	$ 712,504	$ 512,384
Liabilities		
Current liabilities		
Bank indebtedness	$ 2,936	$ -
Accounts payable and accrued liabilities	16,253	7,757
Due to Algonquin Power Group	2,565	2,324
Cash distribution payable	13,326	11,701
Current portion of long-term liabilities	883	498
Current income tax liability	722	618
Future income tax liability	-	537
	36,685	23,435
Revolving credit facility	66,884	-
Long-term liabilities	85,562	50,397
Other long term obligations	13,398	1,180
Future non-current income tax liability	39,747	25,759
Minority Interest	13,329	-
Unitholders' Equity		
Trust units	545,234	473,013
Deficit	(88,335)	(61,400)
	456,899	411,613
	$ 712,504	$ 512,384

Approved by the Trustees:

George Steeves
Trustee

K Moore
Trustee

CONSOLIDATED BALANCE SHEET

Consolidated Statements of Earnings and Deficit

For the 9 months ended September 30, 2002 and September 30, 2001

(THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	3 months ended September 30		9 months ended September 30	
	2002	**2001**	**2002**	**2001**
Revenue				
Energy sales	$ 18,378	$ 6,280	$ 51,367	$ 27,350
Waste disposal fees	2,663	-	6,336	-
Water treatment revenue	2,523	967	5,465	1,444
Interest and dividend income	1,493	1,001	5,977	3,162
	25,057	8,248	69,145	31,956
Expenses				
Operating	12,108	3,838	28,080	10,757
Amortization	5,412	2,994	13,572	7,741
Management costs	173	220	518	579
Administrative expenses	1,127	500	2,840	516
Withholding taxes	(64)	185	458	498
(Gain) loss on foreign exchange	4,532	(147)	3,129	(410)
	23,288	7,590	48,597	19,681
Earnings before undernoted	1,769	658	20,548	12,275
Interest expense	2,232	1,447	5,793	5,227
Loan payment fee	-	-	-	6,751
	2,232	1,447	5,793	11,978
Earnings before income taxes and minority interest	(463)	(789)	14,755	297
Provision for (recovery of) income taxes				
Current income taxes	288	144	496	271
Future income taxes	2,703	(2,739)	1,157	(3,119)
	2,991	(2,595)	1,653	(2,848)
Minority interest	328	-	446	-
Net earnings	(3,782)	1,806	12,656	3,145
Deficit, beginning of period	(71,228)	(45,544)	(61,400)	(30,962)
Cash distributions	(13,325)	(9,679)	(39,591)	(25,600)
Deficit, end of period	$ (88,335)	$ (53,417)	$ (88,335)	$ (53,417)
Net earnings per trust unit	$ (0.07)	$ 0.05	$ 0.23	$ 0.09

Consolidated Statements of Cash Flows

For the 9 months ended September 30, 2002 and September 30, 2001

(THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	3 months ended September 30		9 months ended September 30	
	2002	2001	2002	2001
Operating Activities				
Net earnings	$ (3,782)	$ 1,806	$ 12,656	$ 3,145
Items not affecting cash				
Amortization of capital assets	5,412	2,994	13,572	7,741
Other amortization	308	109	962	399
Minority interest	328	-	446	-
Distribution received in excess of equity income	34	45	51	94
Future income taxes	2,703	(2,739)	1,157	(3,119)
Loan prepayment penalty	-	-	-	6,751
Loss (Gain) on foreign exchange	4,225	(189)	2,590	(452)
	9,228	2,026	31,434	14,559
Changes in non-cash operating working capital	1,437	8,048	2,457	8,874
	10,665	10,074	33,891	23,433
Financing Activities				
Cash distributions	(13,325)	(9,679)	(39,591)	(25,600)
Drawdown of revolving credit facility	3,920	-	65,627	-
Issue of trust units	-	75,123	-	149,885
Expenses of trust units offerings	-	(3,757)	-	(8,095)
Deferred costs	(337)	-	(1,108)	(50)
Bank indebtedness	(3,473)	-	(1,033)	-
Loan prepayment penalty	-	-	-	(6,751)
Repayment of long-term liabilities	(71)	(97)	(793)	(22,595)
Other	505	-	505	-
	(12,781)	61,590	23,607	86,794
Investing Activities				
(Increase) / decrease in funds held in reserve	231	(351)	1,355	599
Receipt of principal on notes receivable	619	25	1,578	6,452
Acquisition of notes receivable and other interests	-	-	-	(7,351)
Additions to capital assets	(1,111)	(341)	(4,556)	(1,154)
Sale of Bakery	920	-	920	-
Acquisition of participation and other interests	-	-	-	(800)
Acquisition of operating entities	(1,166)	(49,154)	(69,600)	(68,176)
	(507)	(49,821)	(70,303)	(70,430)
Effect of exchange rate differences on cash and cash equivalents	729	144	80	150
Decrease in cash and cash equivalents	(1,894)	21,987	(12,725)	39,947
Cash and cash equivalents, beginning of period	20,882	27,540	31,713	9,580
Cash and cash equivalents, end of period	$ 18,988	$ 49,527	$ 18,988	$ 49,527
Supplemental disclosure of cash flow information				
Cash paid during the period for interest expense	$ 1,846	$ 1,236	$ 5,174	$ 5,173
Cash paid during the period for income taxes	$ 244	$ 15	$ 352	$ 143

1. Basis of Presentation

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2001, as set out in the 2001 Annual Report. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and methods of computation as were used for the audited consolidated financial statements for the year ended December 31, 2001 except as noted below.

Effective January 1, 2002, the Fund adopted the new recommendations of the Canadian Institute of Chartered Accountants in Handbook Sections 3062 "Goodwill and other intangible assets" and certain provisions of section 1581 "Business Combinations. Section 1581 requires that the purchase method of accounting be used for all business combinations and specifies criteria that intangible assets acquired in a business combination must meet to be recognized and reported separately from goodwill. Section 3062 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually by comparing carrying value to the respective fair value in accordance with the provisions of Section 3062. The Fund required no adjustments to previously reported results from adopting the new recommendations. The Fund is in the process of identifying intangible assets in connection with the acquisitions described in note 3.

2. Seasonality

The operations of the Fund are seasonal. The Fund's hydroelectric energy assets are primarily "run-of- the-river" and as such fluctuate with the natural water flows. During the winter and summer periods, flows are generally slower while during the spring and fall periods flows are heavier.

3. Acquisition of facilities

On March 15, 2002 the Fund completed the acquisition of 86.7% of the outstanding trust units of KMS Power Income Fund ("KMS") and 47.3% of the outstanding principal amount of convertible debentures of KMS by issuing 6,099,557 trust units of the Fund for total consideration of $102,147. On July 4, 2002, the Fund exercised its rights under the KMS trust declaration and effected a subsequent acquisition transaction to acquire the remaining 960,711 KMS trust units for trust units with an ascribed value of $7,336. KMS owns directly or indirectly, four power generation facilities: an energy-from-waste facility in Ontario; two natural gas-fired co-generation facilities located in New Jersey and Illinois; and a landfill bio-gas-fired generating facility in Illinois.

On May 1, 2002 the Fund acquired a 43.5MW natural gas fired generating station located in Sanger, California for total consideration of $49,035 plus assumed debt of $30,223. The Sanger generating station is a combined-cycle generating station comprised of a 32MW Westinghouse natural gas fired turbine and a 11.5MW General Electric steam turbine.

On May 23, 2002 the Fund acquired Bella Vista Water for total consideration of $21,600. Bella Vista currently serves approximately 6,800 customers in the town of Sierra Vista, approximately 100 km south of Tuscon, Arizona.

On September 19, 2002, the fund paid $1,310 in cash for the acquisition of Gold Canyon which was acquired in the third quarter of 2001. The additional contingent consideration was required as a rate case which was in progress at the time the initial acquisition was settled.

The acquisitions have been accounted for using the purchase method, with earnings from operations included since the date of acquisition. The consideration paid by the Fund has been allocated to net assets acquired as follows:

	KMS	Sanger	Other
Working capital	$ (3,933)	$ 648	$ 2,491
Funds held in reserve	1,125	-	-
Other assets		77	
Capital assets	132,270	81,824	39,035
Long term liabilities assumed	(2,806)	(30,223)	(3,562)
Other long term obligations assumed	(4,172)	(3,291)	(3,342)
Minority interest	(13,001)	-	-
Future non current income tax liability	-	-	(11,712)
Total purchase price	109,483	49,035	22,910
Less: cash acquired	(1,785)	-	(2,822)
Loan advanced in 2001	(35,000)	-	-
Trust units issued being non cash consideration	(70,040)	(2,181)	-
Cash consideration paid	$ 2,658	$ 46,854	$ 20,088

The purchase price allocation has been based on the best information available at the reporting date; however, adjustments to the purchase price and purchase price allocation may be made in subsequent quarters as more information is obtained.

4. Trust units

Issued trust units	**Number of units**	**Amount**
Balance as at December 31, 2001	50,875,772	$ 473,013
March 15, 2002 – issued pursuant to KMS takeover	6,099,557	62,704
May 1, 2002 – issued pursuant to Sanger acquisition	248,667	2,181
July 4, 2002 – issued pursuant to KMS takeover	713,616	7,336
Balance as at September 30, 2002	57,937,612	$ 545,234

The weighted average trust units for the three months and nine months ended September 30, 2002 are 57,906,585 (2001 – 41,597,972) and 55,713,705, (2001 – 36,194,025) respectively.

5. Bank Indebtedness

Under the terms of the credit facility for KMS, KMS must meet certain restrictive covenants with respect to tangible net worth and cash flow coverage. As at September 30, 2002, KMS was not in compliance with these covenants. All outstanding borrowings connected with this facility are classified as current liabilities.

6. Segmented Information

The Fund and its subsidiaries operate in the independent power industry in both Canada and the United States. Information on operations by geographic area is as follows:

	3 months ended September 30		9 months ended September 30	
	2002	**2001**	**2002**	**2001**
Revenues				
Canada	$ 11,806	$ 6,315	$ 36,625	$ 18,973
United States	13,251	1,933	32,520	12,983
	$ 25,057	$ 8,248	$ 69,145	$ 31,956

	September 30, 2002	December 31, 2001
Capital Assets		
Canada	$ 364,618	$ 262,696
United States	240,587	96,341
	$ 605,205	$ 359,037

Operational segments

The Fund identifies four business categories it operates in: hydro, natural gas co-generation, alternative fuels and infrastructure assets. The operations and assets for these segments are outlined below:

	9 months ended September 30, 2002					
Revenue	**Hydro**	**Co-generation**	**Alternative**	**Infrastructure**	**Admin**	**Total**
Energy sales	30,779	16,349	4,239			51,367
Waste disposal fees			6,336			6,336
Water treatment revenue				5,465		5,465
Interest and dividend income	429	2,843	1,631	93	981	5,977
Total Revenue	31,208	19,192	12,206	5,558	981	69,145
Operating expenses	10,669	7,994	6,880	2,537		28,080
Operating profit before amortization and interest expense	20,539	11,198	5,326	3,021	981	41,065
Other administration costs	(260)		(62)		(6,623)	(6,945)
Interest expense	(3,901)	(182)	(105)	(85)	(1,520)	(5,793)
Amortization of capital assets	(7,908)	(1,849)	(3,003)	(812)		(13,572)
Earnings before income taxes and minority interest	8,470	9,167	2,156	2,124	(7,162)	14,755
Capital assets	336,411	96,152	120,625	52,017		605,205
Capital expenditures	705	100,471	116,246	40,263		257,685

	9 months ended September 30, 2001					
Revenue	**Hydro**	**Co-generation**	**Alternative**	**Infrastructure**	**Admin**	**Total**
Energy sales	26,969		381			27,350
Waste disposal fees						
Water treatment revenue				1,444		1,444
Interest and dividend income	1,174			34	1,954	3,162
Total Revenue	28,143		381	1,478	1,954	31,956
Operating expenses	9,955		321	481		10,757
Operating profit before amortization and interest expense	18,188		60	997	1,954	21,199
Other administration costs	763				(1,946)	(1,183)
Interest expense	(4,797)				(430)	(5,227)
Loan prepayment fee	(6,751)					(6,751)
Amortization of capital assets	(7,599)		(41)	(101)		(7,741)
Earnings before income taxes and minority interest	(196)		19	896	(422)	297
Capital assets (Dec 31, 2001)	336,420		9,360	13,257		359,037
Capital expenditures	49,138		9,904	12,886		71,928

	3 months ended September 30, 2002					
Revenue	**Hydro**	**Co-generation**	**Alternative**	**Infrastructure**	**Admin**	**Total**
Energy sales	6,508	9,664	2,204			18,376
Waste disposal fees			2,663			2,663
Water treatment revenue				2,523		2,523
Interest and dividend income	134	665	354	47	295	1,495
Total Revenue	6,642	10,329	5,221	2,570	295	25,057
Operating expenses	3,236	4,718	3,024	1,130		12,108
Operating profit before amortization and interest expense	3,406	5,611	2,197	1,440	295	12,949
Other administration costs	(46)		(62)		(5,660)	(5,768)
Interest expense	(1,293)	(105)	(41)	(57)	(736)	(2,232)
Amortization of capital assets	(2,301)	(1,347)	(1,272)	(492)		(5,412)
Earnings before income taxes and minority interest	(234)	4,159	822	891	(6,101)	(463)
Capital assets	336,411	96,152	120,625	52,017		605,205
Capital expenditures	547	3,988	3,966	2,430		10,931

	3 months ended September 30, 2001					
Revenue	**Hydro**	**Co-generation**	**Alternative**	**Infrastructure**	**Admin**	**Total**
Energy sales	5,899		381			6,280
Waste disposal fees						
Water treatment revenue				967		967
Interest and dividend income	372			12	617	1,001
Total Revenue	6,271		381	979	617	8,248
Operating expenses	3,242		321	275		3,838
Operating profit before amortization and interest expense	3,029		60	704	617	4,410
Other administration costs					(758)	(758)
Interest expense	(1,295)				(152)	(1,447)
Amortization of capital assets	(2,885)		(41)	(68)		(2,994)
Earnings before income taxes and minority interest	(1,151)		19	636	(293)	(789)
Capital assets (Dec 31, 2001)	336,420		9,360	13,257		359,037
Capital expenditures	32,557		9,904	7,481		49,942

7. Subsequent Events

a) Subsequent to quarter end, the Fund issued 9,950,000 trust units at a price of $9.90 per trust unit for gross proceeds of $98,505, with net proceeds of $93,580 after deducting expenses of the offering including the underwriters fee of $4,925.

b) The Fund has declared a cash distribution on its trust units of $0.0766 per trust unit to the unitholders of record on October 31, 2002. The frequency of cash distributions has been changed from quarterly to monthly commencing with the month of October, 2002.

c) In November, 2002, the Fund acquired the shares of Tall Timbers Utility Company. Tall Timbers owns and operates a wastewater treatment facility in the Town of Tyler, Texas, approximately 140 km east of Dallas, Texas. The facility currently services 1,037 customers. The aggregate purchase price of $3.5 million (US$ 2.2 million) was satisfied with funds from the latest public offering.

Trustees

Kenneth Moore, *Chairman of the Trustees*
NewPoint Capital Partners Inc., *Managing Partner*

George Steeves
Energy Consultant

Christopher J. Ball
Corpfinance International Limited, *Executive Vice President*

Algonquin Power Management Inc.

Chris K. Jarratt, *Director and Chief Executive Officer*

John M.H. Huxley, *Director*

Ian E. Robertson, *Director*

David C. Kerr, *Director*

Peter Kampian, *Chief Financial Officer*

Head Office

2845 Bristol Circle
Oakville, Ontario L6H 7H7

Telephone: 905-465-4500 • Fax: 905-465-4514
E-mail: apif@algonquinpower.com • Web Site: www.algonquinpower.com

Registrar and Transfer Agent

CIBC Mellon Trust Company
320 Bay Street
P.O. Box 1
Toronto, Ontario M5H 4A6

Stock Exchange

The Toronto Stock Exchange Symbol:
APF.UN

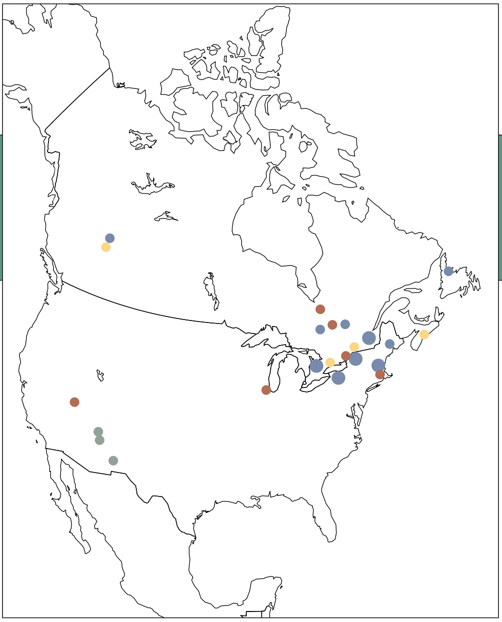
Auditors

KPMG LLP, *Toronto, Ontario*

Legal Counsel

Blake, Cassels & Graydon LLP, *Toronto, Ontario*

GENERAL INFORMATION



algonquinpower.com