Pattern

PATTERN ENERGY GROUP INC.

Investor presentation | December 2015

SAFE HARBOR STATEMENT

The following information contains, or may be deemed to contain, "forward-looking statements" (as defined in the U.S. Private Securities Litigation Reform Act of 1995 and "forward-looking information" as defined in Canadian securities laws). The words "may," "plan," "forecast," "seek," "target," "goal," "believe," "expect," "anticipate," "intend," "estimate" and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. You should not place undue reliance on these forward-looking statements about Pattern Energy Group Inc. (the "Company"). By their nature, forward-looking statements are not statements of historical facts and involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are outside the Company's control. Such risks and uncertainties could cause the actual results, performance or achievements of the Company to be materially different from its current expectations and include, but are not limited to: the Company's ability to complete construction of its construction projects and transition them into financially successful operating projects; the Company's ability to complete acquisition of power projects; fluctuations in supply, demand, prices and other conditions for electricity; the Company's electricity generation, projections thereof and factors affecting production including wind and other conditions, other weather conditions, availability and curtailment; changes in law; and the Company's ability to keep pace with and take advantage of new technologies.

In particular, this presentation contains the Company's Adjusted EBITDA and cash available for distribution, which are not generally accepted accounting principles in the United States ("U.S. GAAP"). Adjusted EBITDA and cash available for distribution have been disclosed because the Company believes that these measures may assist investors in evaluating its financial performance and its ability to pay dividends. Neither Adjusted EBITDA nor cash available for distribution should be considered the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, the Company's U.S. GAAP measures, including, but not limited to, the most directly comparable U.S. GAAP measures, net income (loss) and net cash provided by (used in) operating activities, respectively. See pages 25-27 and the Company's annual report on Form 10-K for the year ended December 31, 2014 and Form 10-Q for the quarter ended September 30, 2015, for a reconciliation of net cash provided by operating activities to cash available for distribution and net (loss) income to adjusted EBITDA. Forward looking measures of CAFD, run-rate CAFD and CAFD per share growth are non-GAAP measures that cannot be reconciled to net cash provided by operating activates as the most directly comparable non-GAAP financial measure with unreasonable effort. A description of the adjustments to determine CAFD can be found on page 74 of the Company's 2014 Annual Report on Form 10-K and Form 10-Q for the quarter ended September 30, 2015.

All forward-looking statements speak only as of the date made, and the Company expressly disclaims any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise except as may be required by applicable law. For additional information regarding known material risks that could cause the Company's actual results to differ from its projected results please read "Risk Factors" in the Company's 2014 annual report on Form 10-K and its quarterly reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015.

(All currencies are U.S. dollars unless specified otherwise.)

HIGHLIGHTS

NO
NEW
EQUITY
REQUIRED

STRONG
GROWTH
WITH EXISTING ASSETS

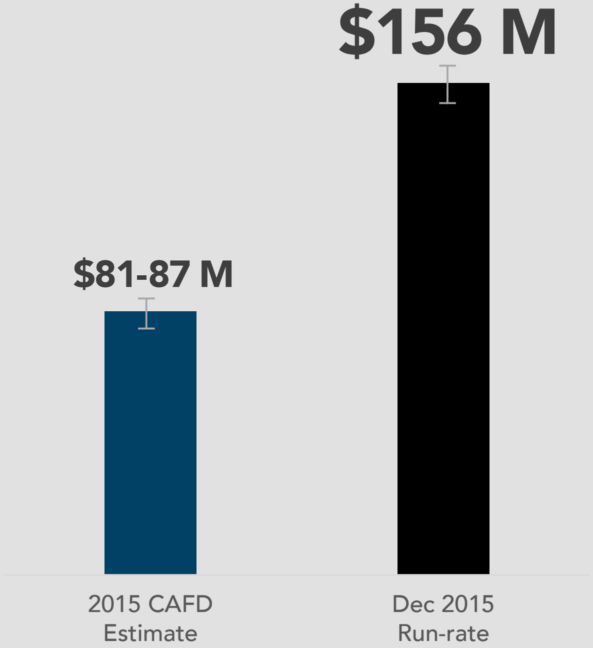
ABILITY TO
SUSTAIN
VIRTUOUS
CYCLE

25-year
STABILITY
OF CAFD & EBITDA

CONSISTENTLY
DELIVERED
SINCE IPO

REAFFIRMED 2015 CAFD OF $81-87 M

NO NEW EQUITY REQUIRED



EXISTING ASSETS AND CAPITAL STRUCTURE ALLOW FOR CONTINUED GROWTH

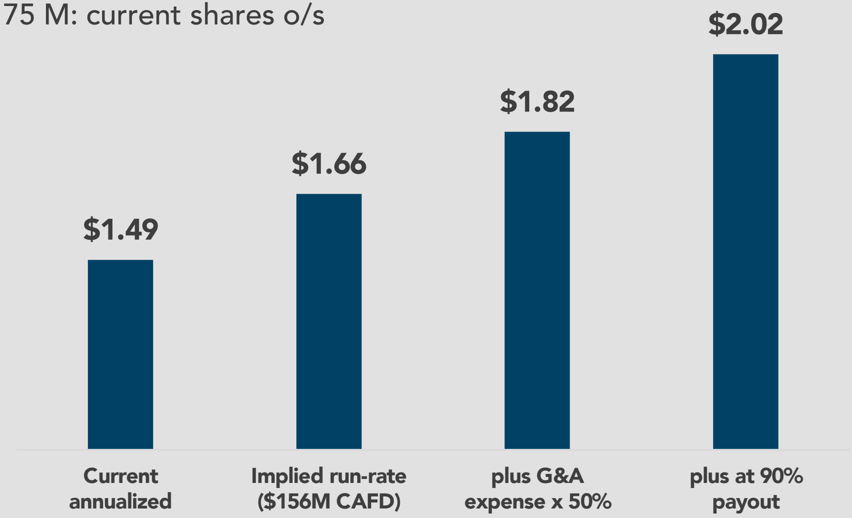
STRONG GROWTH WITH EXISTING ASSETS

DIVIDENDS PER SHARE

$81-$87 M: 2015 estimated CAFD

$156 M: Run-rate CAFD

75 M: current shares o/s



DIVIDEND YIELD

Share price	$18.56 11/25/15	$23.00 Jul offering	$29.25 Feb offering
Current	8.0%	6.5%	5.1%
Run-rate	8.9%	7.2%	5.7%
plus			
G&A x 50%	9.8%	7.9%	6.2%
plus			
At 90% payout	10.9%	8.8%	6.9%

NO NEW LIQUIDITY REQUIRED TO ACHIEVE RUN-RATE CAFD

CONTRACTS DESIGNED FOR CASH FLOW STABILITY

Long-term, fixed-price PPA contracts

Stable operational cost profile

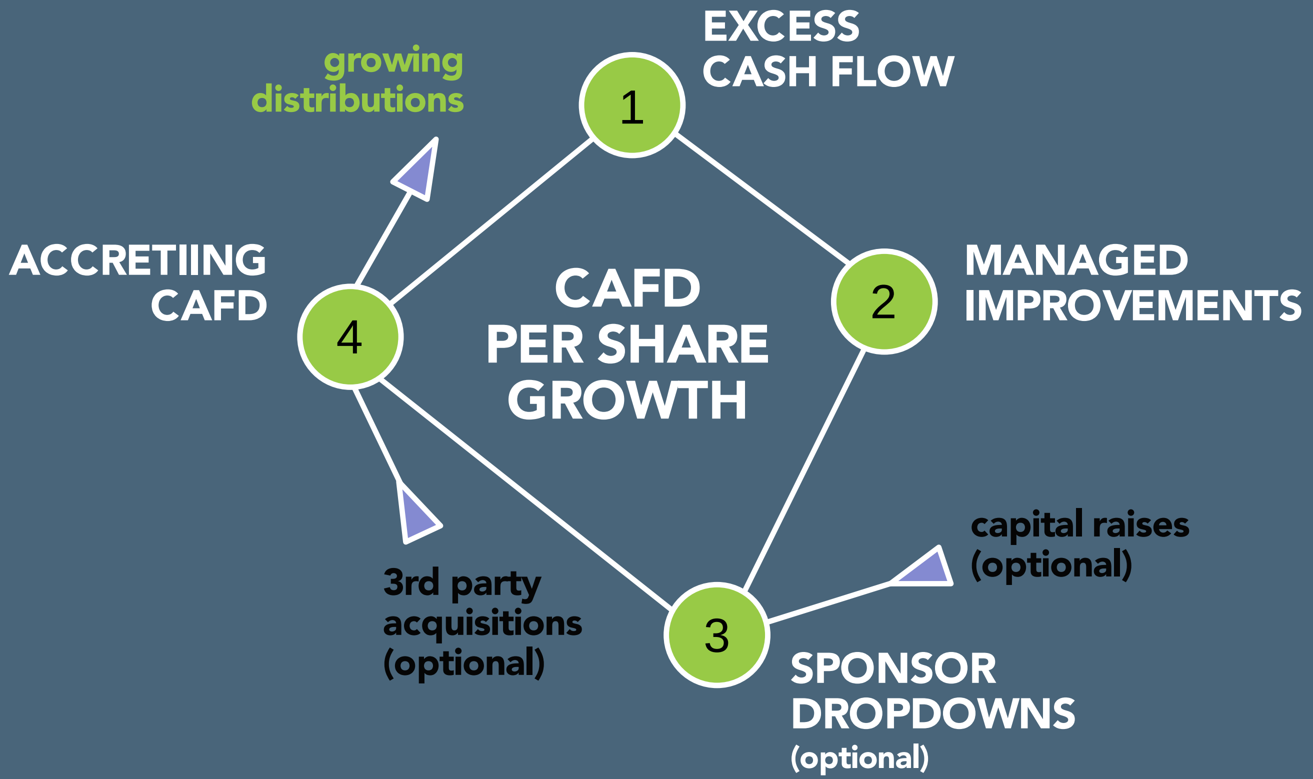
Fixed-price, amortizing project financing

Tax and PPA term offset by debt term and tax equity flip

25 YEARS CAFD & EBITDA STABILITY

Assumes zero residual value with spot market pricing at approximately today's values

PATTERN'S VIRTUOUS CYCLE



PATTERN: A UNIQUE YIELDCO

	PATTERN ENERGY	TYPICAL YIELDCO
Sponsor flexibility	private: high degree	public: lower degree
Approach	operating company	financial structure
Management	internal	external
IDRs	none	most have IDRs
Growth strategies	develop & drop opportunistic 3rd party	3rd party acquisitions, some drops
Growth approach	CAFD multiple + intrinsic / strategic	primarily CAFD multiple
Projected growth	12-15% CAFD/share CAGR (2014-17)	>15%

CLEAN & TRANSPARENT RELATIONSHIPS

No IDRs

No undisclosed commitments to sponsor

No cross defaults on any loans

No undisclosed 3rd party commitments

WHAT IS PATTERN

OWNER & OPERATOR

Pattern

PEGI : NASDAQ
PEG : TSX

DEVELOPER

Pattern Development

Privately owned
Owns ~23% of PEGI

PERFORMANCE HIGHLIGHTS

ASSET BASE

2.3 GW
owned interests

16 projects
diversified, high quality

OPERATIONS

98%+
Siemens & GE turbine availability last four quarters

BEST-IN-CLASS
performance of SIEMENS North America fleet

FINANCIAL

ON TARGET
to achieve 2015 CAFD guidance

$1.49
annualized Q4 2015 dividend, $0.372 per Class A common share

7 consecutive
quarterly dividend increases – 19% increase in dividend since IPO

12-15%
updated growth target: CAFD/share CAGR (2014-17)

GROWTH FUNDAMENTALS

GROWTH

1.3 GW

identified ROFO list owned interests

5,000 MW

YE 2019 owned capacity target

PATTERN DEVELOPMENT

5,900 MW

development pipeline
(up from 4,500 MW)

FLEXIBLE

valuation and timing

EXPANDING MARKETS

GPI
(Japan)

Pattern Development acquired majority stake

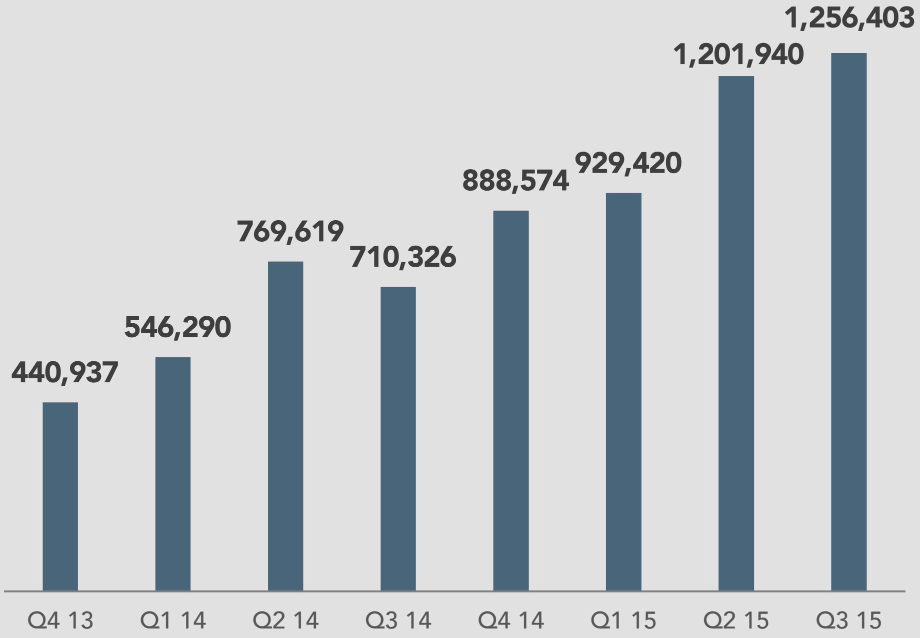
CEMEX
(Mexico)

Pattern Development signed joint venture with CEMEX Energía

MORE OPPORTUNITIES

DIVERSIFIED AND INCREASING ASSET BASE

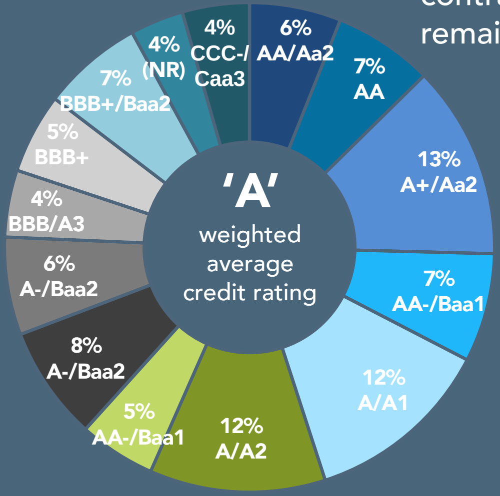
QUARTERLY PRODUCTION (MWh)



STABLE, SUSTAINABLE REVENUES

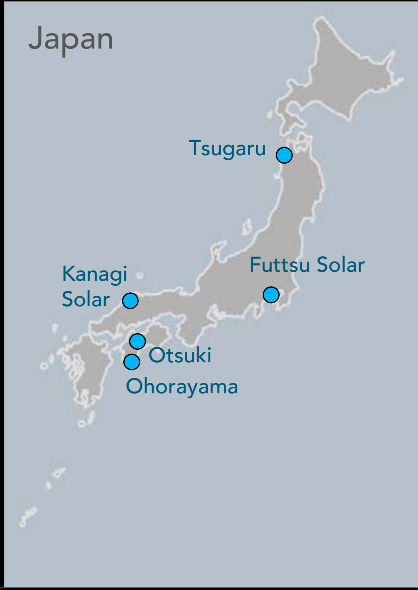
89% under contract

15 year weighted average contract life remaining



Creditworthy Off-takers
(by owned MW)

GEOGRAPHICALLY DIVERSIFIED PORTFOLIO



HIGH-QUALITY PORTFOLIO OF POWER PROJECTS

	Project size	Owned %	Owned MW	Revenue	Off-Taker	COD	Turbines	Contract Tenor	% Under Contract
Gulf Wind, TX	283	100%	283	Hedge	Credit Suisse	Jul-2009	Mitsubishi	2019	~58%
Hatchet Ridge, CA	101	100%	101	PPA	PG&E	Dec-2010	Siemens	2025	100%
St. Joseph, MB	138	100%	138	PPA	Manitoba Hydro	Apr-2011	Siemens	2039	100%
Spring Valley, NV	152	100%	152	PPA	NV Energy	Aug-2012	Siemens	2032	100%
Santa Isabel, Puerto Rico	101	100%	101	PPA	PREPA	Dec-2012	Siemens	2035	100%
Ocotillo, CA	265	100%	265	PPA	SDG&E	Dec-2012/ Jul-2013	Siemens	2033	100%
South Kent, ON	270	50%	135	PPA	IESO	Mar-2014	Siemens	2034	100%
El Arrayán, Chile	115	70%	81	Hedge	Minera Los Pelambres	Jun-2014	Siemens	2034	~74%
Panhandle 1, TX	218	79%	172	Hedge	Citigroup Energy	Jun-2014	GE	2027	~80%
Panhandle 2, TX	182	81%	147	Hedge	Morgan Stanley Affiliate	Nov-2014	Siemens	2027	~80%
Grand Renewable, ON	149	45%	67	PPA	IESO	Dec-2014	Siemens	2034	100%
Post Rock, KS	201	60%	120	PPA	Westar	Oct-2012	GE	2032	100%
Lost Creek, MO	150	100%	150	PPA	Associated Electric Cooperative	May-2010	GE	2030	100%
K2, ON	270	33%	90	PPA	IESO	Jun-2015	Siemens	2035	100%
Logan's Gap, TX	200	82%	164	PPA / Hedge	Walmart / Financial institution	Sep-2015	Siemens	2025/28	~75%
Amazon Wind Farm (F), IN	150	77%	116	PPA	Amazon Web Services	Q4 2015E	Siemens	2028	100%
Total Combined	**2,945**		**2,282**					**15 years**	**89%**

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FINANCIALS

Q3 2015 FINANCIAL SUMMARY

USD millions (except GWh)	Q3 2015	Q3 2014	change	YTD 2015	YTD 2014	change
GWh	**1,256**	**710**	**77%**	**3,390**	**2,026**	**67%**
Revenue	**$89.7**	**$71.5**	**25%**	**$239.2**	**$186.1**	**29%**
Adjusted EBITDA[1]	**$58.7**	**$44.3**	**32%**	**$172.3**	**$140.4**	**23%**
Cash Available for Distribution[1]	**$22.3**	**$10.9**	**104%**	**$59.6**	**$44.8**	**33%**

$81 - $87 M: REITERATED 2015 CAFD ESTIMATE

1) See pages 25-27 for a reconciliation of Q3 2015/2104 and YTD 2015/2014 net cash provided by operating activities to Q3 2015/2014 and YTD 2015/2014 cash available for distribution and net (loss) income to adjusted EBITDA

PRUDENT CAPITAL STRUCTURE

CORPORATE DEBT

Conservative leverage policy targeting less than 3X borrower cash flow(1)

Short term leverage may fluctuate based on revolver utilization and start up of new projects

PROJECT DEBT

Amortizing, long-term, non-recourse project debt

Expected average annual debt service coverage ratio of 1.7X

HEDGES

Fixed rate debt or hedges on 100% of the project debt

LIQUIDITY (as of September 30, 2015, $ millions)

Unrestricted cash	**$103**
Restricted cash	**$52**
Revolver availability (Increased by additional $50 M in Nov.)	**$156**
Undrawn capacity under certain project debt facilities	**$162**
Total (plus $50 M revolver increase)	**$473**

MANAGING LIQUIDITY

80% target payout ratio of CAFD run rate

Reserving cash in strong cash flow periods

Repricing and modifying project debt

Increase project output via improvements and availability

Timely reimbursements

1) Borrower cash flows are based on distributions received by the borrowers during the past twelve months

SUSTAINABLE DIVIDEND POLICY: SEVEN CONSECUTIVE INCREASES

Period	Dividend per Class A share	% increase
Q1 2014	$0.3125	--
Q2 2014	$0.322	3%
Q3 2014	$0.328	2%
Q4 2014	$0.335	2%
Q1 2015	$0.342	2%
Q2 2015	$0.352	3%
Q3 2015	$0.363	3%
Q4 2015	$0.372	2.5%

DIVIDEND POLICY

Target payout ratio of 80% provides dividend stability and strong base for growth

Review financial results and prospects quarterly for dividend declaration

Consideration of any expected contribution to sustainable CAFD from projects acquired from Pattern Development or third parties

2.5% INCREASE PER PERIOD ACHIEVES TARGET FOR 2017

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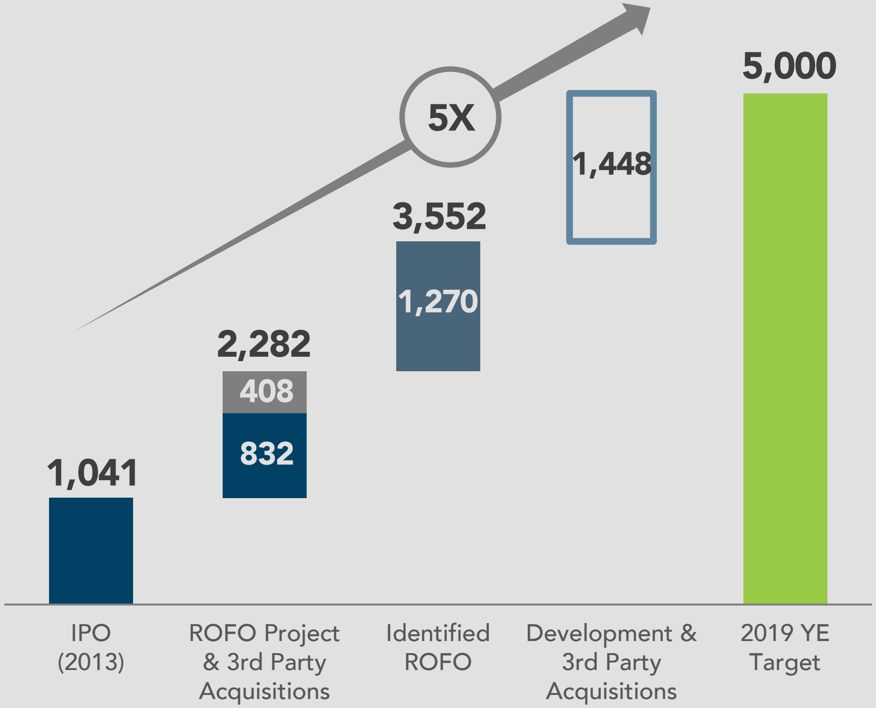
GROWTH

DISCIPLINED INVESTING

Clear investment criteria:	Sound investment guidelines:
Stable markets	Standardized assumptions
Renewable	
Controlling position	Near-term accretive to CAFD per share
Ability to build and operate	
Meaningful in scale	Attractive total returns over 25-30 years
Low risk profile	

EXPANDING OUR OUTLOOK TO 5,000 MW BY YE 2019

OWNED CAPACITY GROWTH (MW)



GROWTH STRATEGY

5,000 MW by YE 2019 to be acquired from Pattern Development or third party M&A opportunities

Only 1,448 MW of new ROFO or third party acquisitions required to meet target

Pattern Development opportunities:

- 13 identified ROFO list projects totaling 1,270 MW
- 5,900 MW development pipeline
- Expanding business into new markets

M&A opportunities:

- Large fragmented global market in Pattern Energy's core markets
- Expands Pattern Energy's growth opportunities

IDENTIFIED ROFO PORTFOLIO

Near-term opportunities through Pattern Development purchase rights

	Net owned capacity(MW)	Revenue	Est. Commercial Operations Date
Broadview / Grady	398	20/25 year PPA	2016/17
Tsugaru	63	20 year PPA	2018
Ohorayama	31	20 year PPA	2017
Kanagi Solar	5	20 year PPA	2016
Futtsu Solar	17	20 year PPA	2016
Otsuki	12	12 year PPA	2006
Armow	90	20 year PPA	2015
Meikle	180	25 year PPA	2016
Conejo Solar	84	22 year PPA	2016
Belle River	50	20 year PPA	2017
Henvey Inlet	150	20 year PPA	2017
Mont Sainte-Marguerite	147	25 year PPA	2017
North Kent	43	20 year PPA	2017
Total	**1,270**		

1,270 MW
identified ROFO list owned interest

182%
increase in total identified ROFO capacity since IPO

832 MW
assets dropped down since IPO

EXPANDING OUR CORE MARKETS

Green Power

40+ employees

25+ years of wind power experience (starting in the Mojave Desert in mid-80s)

10+ years of experience developing wind in Japan

Senior leadership team viewed as pioneers of wind in Japan

Deep understanding of stringent environmental standards

Strong local relationships and experience in Japan

Ability to manage development

Development Bank of Japan a shareholder

CEMEX

US$12 B market cap: NYSE & MX Bolsa

One of the largest consumers of power in Mexico

One of the largest procurers of renewable energy in Mexico

Pioneer and leading player in private generation and self-supply, as well as supply to other major consumers

Strong projects grandfathered during 2015-2016 transition period to support near-term build out under existing regime

Deep development pipeline positioned for new L.I.E. market

Uniquely positioned to pursue independent developer acquisitions

STRONG PARTNERS IN INTERNATIONAL MARKETS

EXPANDING THE SUCCESS OF EXISTING STRUCTURE

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Pattern Development

Grown from 1,041 MW to 2,282 MW

1,270 MW identified ROFO list

Right of First Offer

Shared management

Shared expertise

Shared space

Clear governance practices (i.e. conflicts committee)

5,900 MW development pipeline

Material ownership in Pattern Energy

DICSUSSIONS CONTINUING ON PATTERN ENERGY PARTICIPATING IN UPSIDE OF DEVELOPMENT BUT NO COMMITMENTS

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ADJUSTED EBITDA[1]
(NON-GAAP RECONCILATION)

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Net loss	**$(35,332)**	**$(9,281)**	**$(51,734)**	**$(24,013)**
Plus:				
Interest expense, net of interest income	18,278	17,742	54,692	47,685
Tax (benefit) provision	(2,181)	(3,538)	676	(1,505)
Depreciation, amortization and accretion	40,241	30,015	104,082	72,476
EBITDA	**$21,006**	**$34,938**	**$107,716**	**$94,643**
Unrealized (gain) loss on energy derivative	(4,630)	(3,139)	(1,600)	11,143
Interest rate derivative settlements	2,412	1,030	4,331	3,082
Unrealized loss (gain) on derivatives, net	5,090	(66)	2,393	6,599
Realized loss on derivatives	9,810	—	9,810	—
Early extinguishment of debt	4,113	—	4,113	—
Net loss (gain) on transactions	74	68	2,663	(14,469)
Plus, proportionate share from equity accounted investments:				
Interest expense, net of interest income	6,466	4,000	17,085	9,197
Tax provision	—	—	—	102
Depreciation, amortization and accretion	6,746	4,299	16,246	9,023
Unrealized loss on interest rate and currency derivatives, net	7,637	3,215	9,531	21,046
Realized loss on interest rate and currency derivatives	—	—	—	22
Adjusted EBITDA	**$58,724**	**$44,345**	**$172,288**	**$140,388**

CASH AVAILABLE FOR DISTRIBUTION[1]

(NON-GAAP RECONCILIATION)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Net cash provided by operating activities	$34,682	$23,078	$83,282	$83,900
Changes in operating assets and liabilities	(4,293)	(2,035)	(6,429)	(7,720)
Network upgrade reimbursement	618	1,236	1,854	2,472
Release of restricted cash to fund project and general and administrative costs	—	149	1,501	210
Operations and maintenance capital expenditures	27	(40)	(294)	(134)
Transaction costs for acquisitions	49	—	1,826	1,128
Distributions from unconsolidated investment	9,647	4,704	23,494	4,704
Reduction of other asset - Gulf Wind energy derivative deposit	5,355	—	5,355	—
Other	(1,261)	—	(1,553)	—
Less:				
Distributions to noncontrolling interests	(2,871)	—	(4,382)	(1,470)
Principal payments paid from operating cash flows [1]	(19,674)	(16,149)	(45,057)	(38,245)
Cash available for distribution	$22,279	$10,943	$59,597	$44,845

[1] SUMMARY NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA represents net income (loss) before net interest expense, income taxes, depreciation, amortization and accretion, including our proportionate share of net interest expense, income taxes and depreciation and accretion for joint venture investments that are accounted for under the equity method. Adjusted EBITDA also excludes the effect of certain mark-to-market adjustments and infrequent items not related to normal or ongoing operations, such as early payment of debt and realized derivative gain or loss from refinancing transactions, and gain or loss related to acquisitions or divestitures. We disclose Adjusted EBITDA, which is a non-U.S. GAAP measure, because management believes this metric assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that our management believes are not indicative of our core operating performance. We use Adjusted EBITDA to evaluate our operating performance. You should not consider Adjusted EBITDA as an alternative to net income (loss), determined in accordance with U.S. GAAP, or as an alternative to net cash provided by (used in) operating activities, determined in accordance with U.S. GAAP, as an indicator of our cash flows.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are:

Adjusted EBITDA:

- does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- does not reflect our income tax expense or the cash requirement to pay our taxes; and
- does not reflect the effect of certain mark-to-market adjustments and non-recurring items;
- although depreciation, amortization and accretion are non-cash charges, the assets being depreciated and accreted will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with U.S. GAAP.

Cash available for distribution represents net cash provided by (used in) operating activities as adjusted to (i) add or subtract changes in operating assets and liabilities, (ii) subtract net deposits into restricted cash accounts, which are required pursuant to the cash reserve requirements of financing agreements, to the extent they are paid from operating cash flows during a period, (iii) subtract cash distributions paid to noncontrolling interests, (iv) subtract scheduled project-level debt repayments in accordance with the related loan amortization schedule, to the extent they are paid from operating cash flows during a period, (v) subtract non-expansionary capital expenditures, to the extent they are paid from operating cash flows during a period, and (vi) adding cash distributions received from unconsolidated investments, to the extent such distributions were derived from operating cash flows, and (vii) add or subtract other items as necessary to present the cash flows we deem representative of our core business operations.

We disclose cash available for distribution because management recognizes that it will be used as a supplemental measure by investors and analysts to evaluate our liquidity. However, cash available for distribution has limitations as an analytical tool because it excludes depreciation and accretion, does not capture the level of capital expenditures necessary to maintain the operating performance of our projects, is not reduced for principal payments on our project indebtedness except to the extent it is paid from operating cash flows during a period, and excludes the effect of certain other cash flow items, all of which could have a material effect on our financial condition and results from operations. Cash available for distribution is a non-U.S. GAAP measure and should not be considered an alternative to net income (loss), net cash provided by (used in) operating activities or any other liquidity measure determined in accordance with U.S. GAAP, nor is it indicative of funds available to fund our cash needs. In addition, our calculation of cash available for distribution is not necessarily comparable to cash available for distribution as calculated by other companies. Investors should not rely on this measure as a substitute for any U.S. GAAP measure, including net income (loss) and net cash provided by (used in) operating activities.