

TSX/Media Release

MACQUARIE POWER INCOME FUND OPERATING RESULTS IN LINE WITH EXPECTATIONS

TORONTO, August 12, 2004 - The Macquarie Power Income Fund (the "Fund") is reporting its results for the initial reporting period from April 30, 2004 to June 30, 2004.



During the initial two month operating period ending June 30, 2004, the Fund had revenue of \$12.9 million and generated net income of \$1.1 million or \$0.051 per unit outstanding. The net income is higher than expected primarily due to the prudent deferral of major maintenance costs of approximately \$0.4 million from the initial reporting period to September 2004 when this work is now scheduled to be completed. In addition, operating and administrative expenses were \$0.4 million less than anticipated.

The volume of electricity and steam sold in the period and the associated selling prices per unit were in line with the forecasted amounts in the Fund's prospectus of April 19, 2004.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the period totalled \$3.4 million. During the reporting period, the Fund generated distributable cash of \$2.7 million (\$0.128 per unit) and declared distributions to its unitholders of \$3.4 million (\$0.161 per unit). The difference of \$0.7 million (\$0.033 per unit) is attributable to the impact of seasonality on the Fund's operating income. As anticipated, existing cash resources available to the Fund were used to pay distributions and no reserve accounts were drawn down.

The Fund converted its term loan from a prime rate loan to a series of bankers acceptances loans, which locks in favourable borrowing costs at rates varying from 4.1% to 4.6% for the remainder of 2004. This should add to the stability and predictability of the Fund's cashflows.

"I am delighted that the Fund has completed the first months of its mandate according to expectations and we look forward to continuing to show progress in the results for the remainder of 2004," said Robert Rollinson, Chief Executive Officer of the Fund.

The Fund's revenues from the sale of electricity and steam and its primary operating cost, natural gas, are secured by long term contracts at fixed prices. Cardinal Power Station, the initial asset of the Fund, continues to operate reliably and efficiently. These two factors should contribute to stable and predictable cashflows, which are the bases of the Fund's monthly distributions to its Unitholders.

The Fund will hold a conference call for financial analysts on **August 13, 2004 at 11:00 AM EST**, at which time the Fund's Manager will present the results for the two months ended, June 30, 2004. Financial analysts are invited to participate in the call by dialing 1-800-838-4403. The media and other interested parties can listen live by calling 1-800-360-9865. A recording of the conference call will be available until August 20, 2004 by dialing 1-800-428-6051, passcode 370291.

Macquarie Power Income Fund is an unincorporated limited purpose trust which indirectly owns a 156MW gas fired cogeneration power station located in Cardinal, Ontario. The Fund's units are listed on the Toronto Stock Exchange under the symbol MPT.UN. The Fund is managed by Macquarie Power Management Limited¹, a wholly owned subsidiary of Macquarie Bank Limited and a member of the Macquarie group.

Additional information about the Macquarie Power Income Fund can be found at <http://www.sedar.com> or www.macquarie.com/mpt (after August 16).

For additional information please contact:

Investor & investment analyst enquiries

Germain Lecours
Chief Financial Officer
Macquarie Power Management Ltd.
(416) 594 5198

Media enquiries

Alex Doughty
Corporate Communications
Macquarie group
(212) 548 2740

¹ *Macquarie Power Management Limited is not an authorised deposit taking institution for the purposes of the Banking Act (Cth) 1959 and Macquarie Power Management Limited's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Power Management Limited.*