

FIRST ASSET POWERGEN FUND AND SPROTT POWER CORP ANNOUNCE PROPOSED MERGER

TORONTO, ONTARIO--(Marketwire - Oct. 26, 2010) - First Asset PowerGen Fund (TSX:PGT.UN) ("PowerGen") and Sprott Power Corp. ("Sprott Power") announced today that they have entered into a memorandum of understanding that provides for a merger (the "Merger") of PowerGen and Sprott Power by way of a plan of arrangement. The entering into of a definitive agreement (the "Definitive Agreement") providing for the Merger remains subject to satisfactory completion of due diligence and the execution of an agreement in form satisfactory to both parties. PowerGen has agreed not to solicit alternative transactions and to an exclusivity period until November 25, 2010 in order to enter into the Definitive Agreement.

Pursuant to the memorandum of understanding, it is proposed that the merged entity will purchase all of the outstanding units of PowerGen (the "Units") on a tax-deferred roll-over basis, in consideration of the issuance of approximately 23 million shares (subject to certain adjustments) (the "Shares") being an exchange ratio of approximately 5.34 Shares for each Unit outstanding, which would constitute approximately 51% of the total Shares outstanding in the merged company.

It is intended that, pursuant to the Definitive Agreement, the Merger would remain subject to standard conditions including, among other things, third party approvals and consents, including approval by the unitholders of PowerGen ("Unitholders") and the shareholders of Sprott Power, as well as any necessary regulatory approvals.

The Definitive Agreement will also contain covenants, representations and warranties, indemnities and other terms and conditions typical of transactions of the nature and size of the proposed Merger, including that the Unitholders and Sprott Power shareholders will receive "freely tradable" Shares that are listed on either the TSX or the TSX-V and that holders of not more than 2.5% of the units of the Fund and shares of Sprott Power in aggregate have exercised rights of dissent in respect of the proposed Merger.

Barry Gordon, President and Chief Executive Officer of

First Asset, said: "We think that, by combining the assets of PowerGen with those of Sprott Power, Unitholders will acquire exposure to a well capitalized, strategically positioned participant in the space. Jeff Jenner and the Sprott Power management team are proven, successful veterans of the energy industry. This team's track record, integrity, knowledge and deep industry understanding makes this an exciting opportunity for Unitholders. The transaction is intended to be completed as early as possible in the first quarter of 2011."

Upon the execution of the Definitive Agreement, PowerGen will cease payment of any further monthly distributions, and will suspend the annual redemption of Units in January, 2011, both pending the outcome of the meeting of Unitholders. If the Merger is approved, the board of directors of the merged company will make all decisions regarding the payment of dividends, if any, in the future.

The combined enterprise will have approximately \$40 million in cash, over 20 MW of operational wind assets, another 37 MW of capacity accepted for PPAs, and a coast-to-coast development portfolio of wind and hydro assets exceeding 1,500 MW.

PowerGen has approximately 4.3 million units outstanding. Based on the 60 day volume weighted average trading price of PowerGen of \$9.13 per Unit, the transaction implies an equity value for Sprott Power of approximately \$38,500,000, or \$1.71 per share, and a corresponding value for PowerGen of approximately \$39,300,000. Following completion of the Merger, there will not be a net asset value calculated for Sprott Power.

Jeff Jenner, the President and Chief Executive Officer of Sprott Power said: "Given the combination of these strategic assets and additional capital position, we believe that the combined business would be well positioned to capitalize on near-term opportunities to the benefit of all shareholders. In addition, we believe that, by acquiring these assets on a tax-efficient basis, and in a way that preserves losses, we will help shelter future growth and income."

A joint management information circular outlining the details of the transaction and certain other matters which provides prospectus level disclosure of the combined business will be mailed to Unitholders and to the Sprott Power shareholders. To be implemented, it is anticipated that the proposed transaction will require approval by two-thirds of the votes cast by Unitholders and Sprott Power shareholders.

About Sprott Power Corp.

Sprott Power is a privately-held Canadian-based company dedicated to the development and financing of renewable energy projects. Through acquisitions, partnerships and joint ventures, Sprott Power seeks to provide its shareholders with exposure to the power generation sector. Sprott Power is managed by Sprott Power Consulting LP, of which Sprott Consulting LP, a business unit of Sprott Inc. (TSX:SII), is the sole limited partner.

Sprott Power has approximately 1,000 megawatts of wind power development in Eastern Canada. These assets are ideally located within provinces that have announced or are expected to announce requests for proposals ("RFPs"). These RFPs, totalling almost 1,000 megawatts of wind energy generation, will represent over \$2 billion in potential investment. Sprott Power intends to actively participate in these RFPs.

Forward-Looking Statements

This release contains "forward-looking statements" which reflect the current expectations of PowerGen and Sprott Power. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements in this press release include, but are not limited to, statements with respect to the negotiation of the Definitive Agreement, the terms of such Definitive Agreement, the value of the units of the Fund and the shares of Sprott Power, the closing of the transaction and the anticipated benefits from the transaction. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions, including with respect to the anticipated completion of the negotiation of the Definitive Agreement, the value of the units of the Fund and the shares of Sprott Power, the closing of the transaction,

the timing and receipt of all applicable regulatory approvals and security holder consents, the anticipated benefits from the transaction and the satisfaction of other conditions to the completion of the transaction. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those listed under the heading "Risk Factors" in PowerGen's annual information form dated March 31, 2010 as well as that the closing of the transaction could be delayed if the necessary regulatory approvals and shareholder consents are not obtained on the timelines planned or the transaction may not be completed at all if these approvals are not obtained or any other conditions to closing are not satisfied. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this release. Although the forward-looking statements contained in this release are based upon what PowerGen and Sprott Power believe to be reasonable assumptions, management cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this release and PowerGen and Sprott Power do not assume any obligation to update or revise them to reflect new events or circumstances, except as required by law.

Sprott Power
Jeff Jenner
416-943-6387
www.sprottpower.com

or

First Asset
416-642-1289 or 1-877-642-1289
www.firstasset.com

Source: www.sprottpower.com

VentureLink LP

One Richmond Street W., Suite 801	Phone	416 681 6676
Toronto, Ontario M5H 3W4	Toll Free	800 253 1043
www.venturelinkfunds.com	Fax	416 681 6661