

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 – Name and Address of Company:

Just Energy Group Inc. (“**Just Energy**” or the “**Company**”)  
6345 Dixie Road, Suite 200  
Mississauga, Ontario  
L5T 2E6

#### Item 2 - Date of Material Changes:

September 15, 2016

#### Item 3 – News Release:

A news release regarding the material change was disseminated by Just Energy over Marketwired on September 15, 2016.

#### Item 4 – Summary of Material Change:

On September 15, 2016, Just Energy announced an underwritten public offering of \$160 million aggregate principal amount of convertible unsecured senior subordinated debentures due December 31, 2021 (the “**Debentures**”).

#### Item 5 – Full Description of Material Change:

##### 5.1 Full Description of Material Change

On September 15, 2016 the Company announced that it had entered into an agreement with a syndicate of underwriters (the “**Underwriters**”) led by CIBC Capital Markets and National Bank Financial Inc., pursuant to which the Company has agreed to issue, on a “bought deal” basis, \$160 million aggregate principal amount of Debentures at a price of \$1,000 per Debenture (the “**Offering**”).

The Company has granted to the Underwriters an over-allotment option (the “**Over-Allotment Option**”) to purchase up to an additional \$24 million aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments.

The Debentures bear interest at a rate of 6.75% per annum, payable semi-annually on December 31 and June 30 of each year, commencing on December 31, 2016, and will mature on December 31, 2021, unless earlier repurchased, redeemed or converted.

The Debentures will be convertible at any time at the option of the holder, and may be settled, at the Company’s election, in cash, common shares, or a combination of cash

and common shares. The initial conversion rate of the Debentures is 107.5269 common shares per \$1,000 principal amount of Debentures, which is equivalent to an initial conversion price of approximately \$9.30 per common share (the “**Conversion Price**”). The conversion rate is subject to adjustment upon the occurrence of certain events.

The Debentures will not be redeemable on or before December 31, 2019, except upon the satisfaction of certain conditions after a change of control transaction. After December 31, 2019 and prior to December 31, 2020, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice, at a price equal to their principal amount plus accrued and unpaid interest, provided that the weighted average trading price of the common shares of the Company on the Toronto Stock Exchange (the “**TSX**”) for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is at least 125% of the Conversion Price. On or after December 31, 2020, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice, at a price equal to their principal amount plus accrued and unpaid interest.

The Company intends to use the net proceeds from the Offering, together with other external and internally generated sources of capital, to redeem the remaining \$55 million aggregate principal amount outstanding under the Company’s 9.75% senior unsecured notes due 2018 and redeem a minimum of \$225 million of the aggregate principal outstanding under the Company’s 6.0% Extendible Unsecured Subordinated Convertible Debentures due June 30, 2017 (the “**2017 Convertible Debentures**”) following closing of the Offering. Assuming the Over-Allotment Option is exercised in full, the Company intends to redeem an additional \$24 million of the 2017 Convertible Debentures.

Closing of the Offering is expected to occur on or about October 5, 2016. Completion of the Offering is subject to the satisfaction or waiver of various conditions, such as the receipt of normal regulatory approvals, including approval of the TSX and the New York Stock Exchange and the consent of Just Energy’s lenders.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

### **Item 7 - Omitted Information:**

Not applicable.

**Item 8 – Executive Officer:**

For further information, please contact Patrick McCullough, Chief Financial Officer at (713) 933-0895.

**Item 9 – Date of Report:**

September 21, 2016