

Atlantic Power Corporation and Atlantic Power Preferred Equity Ltd. Announce Normal Course Issuer Bids for the Company's Convertible Unsecured Subordinated Debentures, Common Shares and Preferred Shares

DEDHAM, Mass., Dec. 20, 2016 /PRNewswire/ -- Atlantic Power Corporation (TSX: ATP) (NYSE: AT) (the "Company" or "Atlantic Power") and Atlantic Power Preferred Equity Ltd. ("APPEL") announced today that Atlantic Power intends to make a normal course issuer bid ("NCIB") for each of the following series of the Company's convertible unsecured subordinated debentures and its common shares and that APPEL intends to make an NCIB for each of the following series of its preferred shares (collectively, the "Public Securities"):

- a) the 5.75% Series C Convertible Unsecured Subordinated Debentures due June 30, 2019 (the "5.75% US\$42.6 Million Debentures") (TSX: ATP.DB.U);
- b) the 6.0% Series D Extendible Convertible Unsecured Subordinated Debentures due December 31, 2019 (the "6.0% Cdn\$81.0 Million Debentures") (TSX: ATP.DB.D);
- c) the common shares (the "Common Shares") (TSX:ATP);
- d) the 4.85% Cumulative Redeemable Preferred Shares, Series 1 (the "Series 1 Preferred Shares") (TSX: AZP.PR.A);
- e) the Cumulative Rate Reset Preferred Shares, Series 2 (the "Series 2 Preferred Shares") (TSX: AZP.PR.B); and
- f) the Cumulative Floating Rate Preferred Shares, Series 3 (the "Series 3 Preferred Shares") (TSX: AZP.PR.C).

Under its current NCIB which expires December 28, 2016, Atlantic Power purchased US\$11,700,000 of its 5.75% debentures at an average price of US\$85.43; Cdn\$8,995,000 of its 6.0% debentures at an average price of Cdn\$84.94; and 8,067,051 of its common shares at an average price of Cdn\$3.18. No Preferred Shares were purchased by APPEL under this NCIB.

Atlantic Power and APPEL believe that their Public Securities may trade in ranges that may not fully reflect the value of the Public Securities. As a result, Atlantic Power and APPEL believe that the purchase of their Public Securities from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Atlantic Power's available funds. In addition, purchases under the NCIBs may increase the liquidity of the Public Securities.

Atlantic Power and APPEL will enter into a pre-defined automatic securities purchase plan ("ASPP") with their broker in order to facilitate repurchases of their Public Securities under their NCIBs. Under the ASPP, commencing December 29, 2016, the broker for Atlantic Power and APPEL may repurchase their Public Securities under the NCIBs at any time, including without limitation when the Company and APPEL ordinarily would not be permitted to due to regulatory restrictions or self-imposed blackout periods.

Purchases will be made by the broker based upon the parameters prescribed by the TSX and the terms of the parties' written agreement. The ASPP will be in place for the one-year period of the NCIBs. RBC Capital Markets has been appointed as the broker of record for the Company's and APPEL's NCIBs. All Public Securities purchased under the NCIBs will be cancelled.

As of December 15, 2016, Atlantic Power had outstanding:

- a) US\$42,587,000 principal amount of the 5.75% US\$42.6 Million Debentures;
- b) Cdn\$81,005,000 principal amount of the 6.0% Cdn\$81.0 Million Debentures; and
- c) 114,649,888 outstanding Common Shares.

As of December 15, 2016, APPEL had outstanding:

- d) 5,000,000 outstanding Series 1 Preferred Shares;
- e) 2,338,094 outstanding Series 2 Preferred Shares; and
- f) 1,661,906 outstanding Series 3 Preferred Shares.

Under the NCIBs, the broker for Atlantic Power and APPEL may purchase up to 10% of the public float of Atlantic Power's convertible debentures and common shares and up to 5% of the amount issued and outstanding of APPEL's preferred shares, determined as of December 15, 2016, up to the following limits:

| | <u>Limit on Purchases (Principal Amount)</u> | |
|--------------------------------------|---|--|
| | <u>Total Limit</u> ⁽¹⁾ | <u>Daily Limit</u> ⁽²⁾ |
| a) 5.75% \$42.6 Million Debentures | US\$4,258,700 | US\$19,000 |
| b) 6.0% Cdn\$81.0 Million Debentures | Cdn\$8,100,500 | Cdn\$21,254 |

| | <u>Limit on Purchases (Number of Shares)</u> | |
|------------------------------|---|--|
| | <u>Total Limit</u> ⁽³⁾ | <u>Daily Limit</u> ⁽⁴⁾ |
| c) Common Shares | 11,303,772 | 12,703 |
| d) Series 1 Preferred Shares | 250,000 | 1,143 |
| e) Series 2 Preferred Shares | 116,904 | 1,000 |
| f) Series 3 Preferred Shares | 83,095 | 1,000 |

Notes:

1. Represents 10% of the public float. As of December 15, 2016, the public float of the 5.75% US\$42.6 Million Debentures was US\$42,587,000; and the public float of the 6.0% Cdn\$81.0 Million Debentures was \$81,005,000.
2. Represents 25% of the 6-month Average Daily Trading Value ("ADTVA") on the TSX. The ADTVA for the 5.75% US\$42.6 Million Debentures is US\$76,000; and the ADTVA for the 6.0% Cdn\$81.0 Million Debentures is \$85,019.
3. For the Common Shares, represents 10% of the public float. For the Series 1 Preferred Shares, the Series 2 Preferred Shares and the Series 3 Preferred Shares, represents 5% of the amount issued and outstanding. As of December 15, 2016, the public float of the Common Shares was 113,037,724;

the public float of the Series 1 Preferred Shares was 5,000,000; the public float of the Series 2 Preferred Shares was 2,338,094; and the public float of the Series 3 Preferred Shares was 1,661,906.

4. Represents the greater of 25% of the 6-month Average Daily Trading Volume ("ADTVO") on the TSX or 1,000 shares. The ADTVO for the Common Shares is 50,814; the ADTVO for the Series 1 Preferred Shares is 4,575; the ADTVO for the Series 2 Preferred Shares is 1,705; and the ADTVO for the Series 3 Preferred Shares is 3,121.

Atlantic Power and APPEL intend to commence their NCIBs on December 29, 2016. The NCIBs will expire on December 28, 2017 or such earlier date as the Company and/or APPEL complete their respective purchases pursuant to the NCIBs. All purchases made under the NCIBs will be made through the facilities of the TSX or other Canadian designated exchanges and published marketplaces and in accordance with the rules of the TSX at market prices prevailing at the time of purchase. Common share purchases under the NCIB may also be made on the New York Stock Exchange ("NYSE") in compliance with rule 10b-18 under the U.S. Securities Exchange Act of 1934, as amended, or other designated exchanges and published marketplaces in the U.S. in accordance with applicable regulatory requirements. The ability to make certain purchases through the facilities of the NYSE is subject to regulatory approval. The actual amount of Public Securities that may be purchased under the NCIBs is subject to, and cannot exceed, the limits referred to above.

About Atlantic Power

Atlantic Power owns and operates a diverse fleet of power generation assets in the United States and Canada. The Company's power generation projects sell electricity to utilities and other large commercial customers largely under long-term power purchase agreements, which seek to minimize exposure to changes in commodity prices. Atlantic Power's power generation projects in operation have an aggregate gross electric generation capacity of approximately 2,138 megawatts ("MW"), in which its aggregate ownership interest is approximately 1,500 MW. The Company's current portfolio consists of interests in twenty-three operational power generation projects across nine states in the United States and two provinces in Canada. APPEL is an indirect wholly-owned subsidiary of Atlantic Power.

Atlantic Power's common shares trade on the New York Stock Exchange under the symbol AT and on the Toronto Stock Exchange under the symbol ATP. For more information, please visit the Company's website at www.atlanticpower.com or contact:

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Copies of the Company's financial data and other publicly filed documents are available on SEDAR at www.sedar.com or on EDGAR at www.sec.gov/edgar.shtml under "Atlantic Power Corporation" or on the Company's [website](#).

Cautionary Note Regarding Forward-Looking Statements

To the extent any statements made in this news release contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and under Canadian securities law (collectively, "forward-looking statements").

Certain statements in this news release may constitute "forward-looking statements", which reflect the expectations of management regarding the future growth, results of operations, performance and business prospects and opportunities of the Company and its projects. These statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, can generally be identified by the use of the words "may," "will," "project," "continue," "believe," "intend," "anticipate", "expect" or similar expressions that are predictions of or indicate future events or trends and which do not relate solely to present or historical matters. Examples of such statements in this press release include, but are not limited, to statements with respect to the following:

- the Company and APPEL believe that their Public Securities may trade in a range that may not fully reflect the value of the Public Securities;
- the Company and APPEL each believe that the purchase of its Public Securities from time to time can be undertaken at prices that make the acquisition of such securities an appropriate use of Atlantic Power's available funds;
- that purchases under the NCIBs may increase the liquidity of the Public Securities;
- the Company and APPEL will enter into one or more pre-defined automatic securities purchase plans with their broker from time to time during the course of the NCIBs to enable purchases of their Public Securities under the NCIBs to be made at times when Atlantic Power and APPEL ordinarily would not be permitted to, due to self-imposed internal blackout periods, insider trading rules, or otherwise, subject to certain parameters;
- the Company may purchase up to 10% of the public float of its outstanding Public Securities and APPEL may purchase up to 5% of the amount issued and outstanding of its Public Securities;
- the Company and APPEL intend to commence the NCIBs on December 29, 2016; and
- the NCIBs will expire on December 28, 2017 or such earlier date as the Company and/or APPEL complete their respective purchases pursuant to the NCIBs.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. Please refer to the factors discussed under "Risk Factors" and "Forward-Looking Information" in the Company's periodic reports as filed with the Securities and Exchange Commission from time to time for a detailed discussion of the risks and uncertainties affecting the Company. Although the forward-looking statements contained in this news release are based upon what are believed to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

SOURCE Atlantic Power Corporation

<http://investors.atlanticpower.com/2016-12-20-Atlantic-Power-Corporation-and-Atlantic-Power-Preferred-Equity-Ltd-Announce-Normal-Course-Issuer-Bids-for-the-Companys-Convertible-Unsecured-Subordinated-Debentures-Common-Shares-and-Preferred-Shares>