Atlantic Power Corporation Completes $320,000,000 Initial Public Offering

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TORONTO, ONTARIO-- Atlantic Power Corporation (TSX: ATP.UN) today announced the successful closing of its initial public offering of 32,000,000 income participating securities (â€œIPSsâ€) at a price of $10.00 per IPS for gross proceeds of $320,000,000. In connection with the completion of the offering, the Company also sold an additional $36,501,000 of principal amount of 11% subordinated notes to the Caisse de dÃ©pÃ´t et placement du QuÃ©bec on a private placement basis. The net proceeds of the offering and the private placement were used to acquire a 50.6% interest in Atlantic Power Holdings, LLC, which acquired interests in 15 power generation projects located primarily in the United States with total net generating capacity of 773 MW. The offering was underwritten by a syndicate of underwriters led by BMO Nesbitt Burns Inc.

The IPSs will be listed and begin trading today on the Toronto Stock Exchange under the symbol ATP.UN. The first monthly distribution is expected to be paid on January 31, 2005 in respect of the period from closing to December 31, 2004.

â€œAs a large and well-managed participant in the North American power generation business, we are strongly positioned to generate predictable, stable and sustainable cash distributions over the long term,â€ commented Barry Welch, President and CEO. â€œIn addition, we have a unique opportunity to access potential acquisitions throughout the U.S. power industry in order to grow cash distributions and value for our investors.â€

Management services will be provided to the Company by Atlantic Power Management, LLC, a company formed by ArcLight Capital Partners, LLC, one of North Americaâ€™s leading private investment firms focused exclusively on the electric power and energy sectors, with over US$2.5 billion under management. â€œAtlantic Power Corporation is uniquely qualified to take advantage of the current market conditions as well as the long-term prospects for the power industry,â€ said Dan Revers, the managing partner and founding member of ArcLight Capital Partners, LLC. â€œAtlantic Power Corporation has a strong base of existing investments, detailed knowledge of power assets throughout North America, and a strong management team, and we are thrilled to provide the Company with ArcLightâ€™s sponsorship.â€

Atlantic Power Corporation owns interests in a diversified portfolio of 15 power generation projects located primarily in major markets in the United States. Atlantic Powerâ€™s objectives are to sustain and grow its cash distributions over the long term by enhancing the performance of its existing assets and by making accretive acquisitions.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the IPSs in any jurisdiction. The IPSs offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States of America.

When used in this news release, the words "anticipate", "expect", "project", "believe", "estimate", "forecast" and similar expressions are intended to identify forward-looking statements, which include statements relating to pending and proposed projects. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions and, in the case of pending and proposed projects, risks relating to design and construction, regulatory processes, obtaining financing and performance of other parties, including partners, contractors and suppliers.

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