

Atlantic Power Corporation

Atlantic Power Corporation announces exercise of over-allotment option

TORONTO, ONTARIO – Atlantic Power Corporation (TSX: ATP.UN) (the "Company") announced today that the underwriters of the initial public offering of income participating securities ("IPSs") of the Company exercised their over-allotment option to purchase 4,800,000 additional IPSs at a purchase price of \$10.00 per IPS, for gross proceeds of \$48,000,000. The net proceeds will be used by the Company to acquire additional equity interests in Atlantic Power Holdings, LLC ("Atlantic Holdings") and by Atlantic Holdings to redeem equity interests of Atlantic Holdings held by its existing investors. After giving effect to the issuance of IPSs pursuant to the over-allotment option and the transactions contemplated thereby, the Company owns a 58.1% common membership interest in Atlantic Holdings and existing investors will own a 41.9% common membership interest in Atlantic Holdings.

The Company was recently formed to invest in a diversified portfolio of interests in 15 independent power projects located primarily in the United States. Atlantic Power'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.

For further information: Atlantic Power Corporation – Barry Welch

(617) 531-6379, info@atlanticpowercorporation.com

<https://investors.atlanticpower.com/2004-12-08-Atlantic-Power-Corporation-announces-exercise-of-over-allotment-option>