Atlantic Power Corporation

Atlantic Power Corporation Announces Results for Six Weeks Ended Dec. 31, 2004

TORONTO, ONTARIO, Mar 31, 2005 (CCNMatthews via COMTEX) -- Atlantic Power Corporation (TSX:ATP.UN) (the "Company") today announced its results for the six weeks ended December 31, 2004. The Company commenced operations on November 18, 2004 following completion of its Initial Public Offering (the "IPO") and the acquisition of interests in fifteen non-utility power projects (the "Projects"). The Company did not hold any material assets prior to November 18, 2004 and is considered to have begun operations on that day. As a result, no comparative financial information is available. All amounts are in US dollars unless otherwise indicated.

Cash available for distributions to holders of the Company's listed Income Participating Securities ("IPSs") was $5.1 million or $0.1391 (Cdn$0.1672) per IPS in the period. Distributions for the period were $3.7 million or $0.0994 (Cdn$0.1195) per IPS and paid on January 31, 2005.

For the six weeks ended December 31, 2004 the Company generated project and other revenue of $18.5 million and income before administrative and other expenses of $3.6 million. Operationally, the Projects performed as expected with one non-cash adjustment described below reducing period income by $16.5 million.

The Company owns its interests in the Projects through its 58.1% interests, in Atlantic Power Holdings, LLC ("Holdings"). The owners of the other 41.9% non-controlling interest in Holdings have the right to request that the Company issue equity securities to redeem any portion of their interests down to a minimum of 10% within the first two years from the IPO, which potential obligation appears on the balance sheet as a long term liability. During the reporting period the Company included a charge to income of $16.5 million to reflect a mark-to-market change in that liability based on the change in market price per IPS from Cdn$10.00 at IPO to Cdn$10.75 at December 31, 2004.

The results for the period are also not indicative of future performance primarily since the pattern of cash distributions from Projects is typically above average during this year-end period based on activities at the Projects. In addition, non-recurring start-up costs, and audit and other professional fees at year-end had a disproportionate impact on the short reporting period. Primarily due to the non-cash mark-to-market charge to income described above, the Company incurred a net loss of $19.9 million or $0.57 (Cdn$0.69) per IPS for the period.

Fuel costs, particularly natural gas costs, were at historically high levels through the six week reporting period. However, the Company's Power Purchase Agreements (PPAs) generally provide for the pass-through of fuel costs to its customers.

"With almost $36 million received in March from the MASSPOWER Project added to our initial $12.5 million in cash reserves, we have a great deal of flexibility to entertain acquisition opportunities and add value for our investors", commented Barry Welch, President and CEO.

Atlantic Power Corporation owns interests in a diversified portfolio of 15 power generation projects located primarily in major markets in the United States. The Company'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.

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.

Cash available for distributions is calculated as cash flows from operating activities: (i) less the increase in current liabilities related to subordinated note interest, distributions to non-controlling interests and dividends, (ii) less repayments of long-term project level debt, (iii) plus interest on subordinated notes, (iv) less interest on non-IPS subordinated notes, (v) less the purchase of property, plant and equipment, and (vi) plus proceeds on the disposal of property, plant and equipment. Cash available for distributions is not a measure recognized under Canadian GAAP and does not have standardized meaning prescribed by GAAP. Therefore, cash available for distributions is unlikely to be comparable to similar measures presented by other issuers. As the Company intends to distribute a substantial portion of its cash on an ongoing basis, the Manager believes that cash available for distributions is an important measure in evaluating the performance of the Company. For a reconciliation of cash flows from operating activities to cash available for distributions see Management's Discussion and Analysis for the six weeks ended December 31, 2004.

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