

Atlantic Power Corporation Announces First Quarter 2005 Results with U.S. \$8.6 million of Cash Available for Distributions

TORONTO, ONTARIO, May 12, 2005 (CCNMatthews via COMTEX) -- Atlantic Power Corporation (TSX:ATP.UN) (the "Company") today announced its results for the three months ended March 31, 2005. 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") in the quarter was \$8.6 million or \$0.23 (Cdn \$0.28) per IPS. Distributions declared for the period were \$7.5 million or \$0.20 (Cdn \$0.25) per IPS.

For the quarter ended March 31, 2005 the Company generated project and other revenue of \$37.9 million and income before administrative and other expenses of \$12.7 million. Net income for the quarter was \$9.9 million or \$0.27 (Cdn \$0.33) per IPS for the period.

As disclosed in the prior period, the change in the market value during the quarter of the Company's IPS price affects the magnitude of its liability to issue equity securities to redeem, if requested, the non-controlling owners' interest in Atlantic Power Holdings. This non-cash adjustment increased net income by approximately \$5.5 million for the period.

"Operationally, the Projects performed as expected, and we are pleased with the quarter's financial results. We are continuing to evaluate acquisition opportunities that will add value for our investors, and which can be funded in part with over \$48 million from our reserve fund" commented Barry Welch, President and CEO.

The full financial statements for the period, including Management's Discussion and Analysis, are available on the Company's web site at www.atlanticpowercorporation.com.

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 the projects and potential acquisitions by the Company. 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 potential acquisitions, risks relating to sourcing, financing and completing acquisitions.

Cash available for distributions is calculated as cash flows from operating activities, adjusted for:

(i) less proceeds on the disposal of three PPAs at the MASSPOWER project, (ii) the change in current liabilities related to subordinated note interest, distributions to non-controlling interests and dividends, (iii) less repayments of long-term project level debt, (iv) plus interest on subordinated notes, (v) less interest on non-IPS subordinated notes, (vi) less the purchase of property, plant and equipment, and (vii) 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 Company 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 three months ended March 31, 2005 available on the Company's web site at www.atlanticpowercorporation.com or at www.sedar.com.

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