

Atlantic Power Agrees to Acquire Interest in New Jersey Power Facility

BOSTON, MASSACHUSETTS, Aug 11, 2005 (CCNMatthews via COMTEX) -- Atlantic Power Corporation (TSX:ATP.UN)("Atlantic Power") announced today that Atlantic Power Holdings, LLC ("Holdings") has agreed to acquire Epsilon Power Partners, LLC ("Epsilon"), which owns a 40% equity interest in Chambers Cogeneration LP ("Chambers"), the owner and operator of a net 262 MW pulverized coal-fired cogeneration facility located at E.I. DuPont de Nemours & Company's ("DuPont's") Chambers Works complex in southwestern New Jersey. The equity purchase price will be approximately US \$65.5 million and will be funded by cash and a draw on Holdings' revolving credit facility. Closing of the acquisition is subject to customary closing conditions and is anticipated to occur in September 2005.

The facility being acquired is one of the projects in which Holdings was granted a right of first offer by ArcLight Energy Partners Fund I, L.P. ("ArcLight") at the time of Atlantic Power's initial public offering. The partners of Epsilon are subsidiaries of ArcLight and Delta Power Company, LLC. Epsilon has approximately \$43 million of debt outstanding that will be non-recourse to Holdings, making the total purchase price approximately \$108.5 million.

The acquisition brings a number of benefits to Atlantic Power's shareholders, as it:

- Is immediately accretive to cash flow;
- Adds two new high quality, investment grade electricity and steam off-takers;
- Enhances diversity of fuel sources;
- Extends the weighted average remaining term of Atlantic Power's power purchase agreement ("PPA") portfolio

The Chambers project produces electricity for sale to Atlantic City Electric Company/Conectiv (rated BBB+) under a PPA through 2024, and electricity and steam to DuPont (rated AA-) for use in its industrial operations, also through 2024. Chambers began commercial operations 1994.

The plant has demonstrated an excellent operating history over the last ten years and is managed by a highly experienced operator. Chambers utilizes the best available environmental control technologies including scrubbers, a bag house, and selective catalytic reduction to reduce emissions. The facility is a member of the U.S. EPA National Environmental Performance Track, a program that recognizes and rewards top environmental performers.

About Atlantic Power

Atlantic Power Corporation owns interests in a diversified portfolio of 15 power generation projects located primarily in major markets 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.

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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