

## Atlantic Power Corporation Announces Strong Second Quarter 2005 Results

BOSTON, MASSACHUSETTS, Aug 11, 2005 (CCNMatthews via COMTEX) -- Atlantic Power Corporation (TSX:ATP.UN) -

- Cash Available for Distribution: \$11.6 million (Cdn \$0.38 per IPS)

- Distributions Declared: \$ 7.4 million (Cdn \$0.25 per IPS)

Atlantic Power Corporation (TSX:ATP.UN) (the "Company") today announced its results for the three and six months ended June 30, 2005. 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 second quarter was \$11.6 million or \$0.31 (Cdn \$0.38) per IPS. Distributions declared for the period were \$7.4 million or \$0.20 (Cdn \$0.25). For the six months ended June 30, 2005 cash available for distributions was \$18.9 million or \$0.51 (Cdn \$0.62) per IPS, while distributions were declared of \$14.9 million or \$0.40 (Cdn \$0.50) per IPS in the period. The payout ratio was 64% in the second quarter and 79% through the first six months of 2005.

The Company generated project and other revenue of \$38.0 million and income before administrative and other expenses of \$11.3 million in the second quarter. Net loss for the three months ended June 30, 2005 was \$5.3 million or \$0.14 (Cdn \$0.17) per IPS. For the six months ended June 30, 2005, project and other revenue was \$75.8 million, generating income before administrative and other expenses of \$24.0 million. Net income was \$4.6 million or \$0.13 (Cdn \$0.16) per IPS for the first six months of 2005.

The project portfolio generated strong operating results during the second quarter. Earnings before interest, taxes, depreciation and amortization ("EBITDA") at the Company's power producing projects was up 3% in the second quarter versus the same period in 2004, excluding the contribution from the lessor interest in the Lake Project acquired in late 2004. The increase is due primarily to higher operating margins, increased ownership in one project, and improved gas resale results at another.

"We were pleased with our performance in the second quarter, including an increase in EBITDA at the project level versus last year and positive results from the MASSPOWER dispositions," commented Barry Welch, President and CEO.

The Company announced earlier today that it agreed to indirectly acquire a 40% interest in the owner and operator of a 262 MW coal-fired cogeneration facility located at E.I. DuPont de Nemours & Company's Chambers Works complex in southwestern New Jersey. The equity purchase price of approximately US \$65.5 million will be funded by cash and a draw on Holdings' revolving credit facility. As of June 30, 2005 the Company's Reserve Account amounted to approximately \$48.6 million. Non-recourse debt of approximately \$43 million will also be assumed, making the total purchase price approximately \$108.5 million. Closing of the acquisition is subject to customary closing conditions and is anticipated to occur in September 2005.

"This transaction brings a number of benefits to our shareholders," Mr. Welch continued. "It adds two new high quality, investment grade electricity and steam off-takers to our base of customers, enhances the diversity of our fuel sources, and extends the weighted average remaining term of our power purchase agreements. Most importantly, the acquisition is immediately accretive to cash flow."

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](http://www.atlanticpowercorporation.com).

### CALCULATION OF CASH FLOW AVAILABLE FOR DISTRIBUTION

Periods Ending (Unaudited)	June 2005	June 2005
-----	-----	-----
(3 months)	(6 months)	
Cash flows from operating activities	13,006	51,736
Proceeds on disposal of MASSPOWER PPA's and other contracts (1)	(4,908)	(39,081)
-----	-----	-----
Cash flows from operating activities net of proceeds on disposal	8,098	12,655
Project level debt repayment	(5,246)	(6,742)
Interest on IPS portion of subordinated notes	4,683	9,436
Income tax withholding		

installments recoverable (2)	4,734	4,734
Purchase of property, plant and equipment	(718)	(1,182)
-----		
Cash flow available for distribution, USD	11,551	18,901
Cash flow available for distribution, Cdn.	14,063	22,940
Interest on IPS subordinated notes	4,683	9,436
Dividend on IPS common shares	2,702	5,444
-----		
Total IPS distributions, USD	7,385	14,880
Total IPS distributions, Cdn.	9,203	18,406
Cash flow available for distribution per IPS, Cdn.	0.38	0.62
Total distribution per IPS, Cdn.	0.25	0.50

(1) MASSPOWER's aggregate distributions less their normalized operating cash flow (normalized EBITDA less principal repayments).

(2) Represents the portion of income tax withholding installments paid during the quarter related to operating activities exclusive of amounts associated with MASSPOWER PPA and other contract disposals.

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.

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 Flow Available for Distributions is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP. Management believes Cash Flow Available for Distributions is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP. Management uses aggregate EBITDA at the Projects as a cash flow measure to provide aggregate annual comparative information about Project performance.

Atlantic Power Corporation  
Barry Welch  
President and CEO  
(617) 531-6379  
info@atlanticpowercorporation.com

NEWS RELEASE TRANSMITTED BY CCNMatthews

<https://investors.atlanticpower.com/2005-08-11-Atlantic-Power-Corporation-Announces-Strong-Second-Quarter-2005-Results>