Atlantic Power Corporation

Atlantic Power Corporation Announces Strong Third Quarter 2005 Results

BOSTON, MASSACHUSETTS, Nov 14, 2005 (CCNMatthews via COMTEX News Network) -- Atlantic Power Corporation (TSX:ATP.UN) -

- Closed Chambers acquisition on September 8, 2005

- Increased annual distribution to Cdn $1.03 effective as of September distribution

- Cash flow available for distribution of US $9.1 million (Cdn $0.30 per IPS)

- Payout ratio of 81% for nine months ending September 30, 2005

Atlantic Power Corporation (TSX:ATP.UN) (the "Company") today announced its results for the three and nine month periods ended September 30, 2005. All amounts are in US dollars unless otherwise indicated.

During the third quarter the Company completed the acquisition of a 40% interest in a 262 MW coal-fired cogeneration facility located at E.I. DuPont de Nemours & Company's Chambers Works complex in southwestern New Jersey. The total purchase price was approximately US $64.9 million and was funded by cash on hand and a draw on the revolving credit facility. The acquisition diversified the Atlantic Power portfolio's fuel mix, increased its off taker diversity, lengthened the weighted average term of its power purchase portfolio and increased the Company's aggregate net interests to 899MW of generating capacity.

With the completion of the Chambers acquisition, the Company also announced during the quarter that, effective with the September 2005 payment, annualized cash distributions were increased by Cdn $0.03 per Income Participating Security ("IPS") to Cdn $1.03 per year.

"The acquisition of our interest in the Chambers project was immediately accretive to our cash flow, and, as a result, we were very pleased to have implemented our first increase in monthly cash distributions," commented Barry Welch, President and CEO. "We believe there are additional opportunities available in the US power generation sector that will add further accretive growth and stability to our cash flows going forward."

Including the contribution from the Chambers facility commencing on September 8, 2005, cash available for distributions was $9.1 million or Cdn $0.30 per IPS in the third quarter. Distributions declared for the period were $7.8 million or Cdn $0.25 per IPS. For the nine months ended September 30, 2005 cash available for distributions was $28.0 million or Cdn $0.92 per IPS, while distributions declared were $ 22.69 million or Cdn $0.75 per IPS. The payout ratio was 86% in the third quarter and 81% through the first nine months of 2005.

The Company generated project and other revenue of $50.8 million and income before administrative and other expenses of $16.6 million in the third quarter. The net loss for the three months ended September 30, 2005 was $7.9 million or $0.21 (Cdn $0.26) per IPS. For the nine months ended September 30, 2005, project and other revenue was $126.7 million, generating income before administrative and other expenses of $40.6 million. The net loss was $3.2 million or $0.09 (Cdn $0.10) per IPS for the first nine months of 2005.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") at the Company's power producing projects were down 1% in the third quarter versus the same period in 2004, but up 6% for the nine month period ending September 30, 2005 (excluding the contribution from the lessor interest in the Lake Project acquired in late 2004 and Mid-Georgia's deferred revenue adjustment). The decrease for the quarter is primarily due to the loss of MASSPOWER revenues resulting from the successful buyout of three of its former PPAs, and lower swap settlements from Onondaga expected per its schedule, partially offset by improved operating margins at Lake and Pasco, increased ownership in the Gregory project and almost one month of Chambers ownership. The increase in nine months' EBITDA is due primarily to improved operating margins at the Lake and Pasco projects, increased ownership in the Gregory project and almost a month of Chambers ownership, offset by unfavorable impacts from the MASSPOWER PPA buyouts and increased natural gas costs at Selkirk beyond what can be passed through under one of its PPAs.

A breakdown of contributions (EBITDA excluding other income) by individual project for the three and nine month periods ending September 30, 2005 is provided in the attached Appendix.

In July the Company received a distribution from the MASSPOWER project which included approximately $3.3 million from a further release of net proceeds from dispositions of its power purchase and gas supply agreements. The project has repaid its outstanding debt and will continue to make available approximately 7.9% of its output under its remaining power purchase agreement through 2013 when it is dispatched, and will have the option to sell the remainder of its output into the wholesale spot market. The owners have entertained bids to buy the project company and recently entered into an exclusivity period with one of the bidders, which could conclude in negotiation of a purchase and sale agreement.

"We were pleased with our results in the quarter and first nine months of the year, and anticipate continuing solid and stable performance over the long term," Mr. Welch concluded.

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.

CALCULATION OF CASH FLOW AVAILABLE FOR DISTRIBUTION

Periods Ending (Unaudited)	September 30, 2005 (3 months)	September 30, 2005 (9 months)
Cash Flow Available For Distributions		
Cash flows from operating activities	9,533	61,269
Proceeds on disposal of MASSPOWER PPA's and other contracts(1)	(3,291)	(42,372)
Cash flows from operating activities net of proceeds on disposal	6,242	18,897
Project level debt repayment	(3,885)	(10,627)
Interest on IPS portion of subordinated notes	4,901	14,337
Income tax withholding installments recoverable(2)	2,180	6,914
Purchase of property, plant and equipment	(308)	(1,490)
Cash flow available for distribution, USD	9,130	28,031
Cash flow available for distribution, Cdn.	10,902	33,828
Distributions		
Interest on IPS subordinated notes	4,901	14,337
Dividend on IPS common shares	2,907	8,351
Total IPS distributions, USD	7,808	22,688
Total IPS distributions, Cdn.	9,297	27,703
Cash flow available for distribution per IPS, Cdn.	0.30	0.92
Total distribution per IPS, Cdn.	0.25	0.75

(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.

Atlantic Power Corporation owns interests in a diversified portfolio of sixteen 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. A reconciliation of net cash provided by operating activities to Cash Flow Available for Distributions is set out in this MD&A. 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.

Appendix - Project Contributions (1) ($US 000)

	Three months ended September 30, 2005	Nine months ended September 30, 2005
	(Unaudited)	
Contributions from consolidated and proportionately consolidated projects(1)		
Lake	6,868	18,740
Pasco	3,644	9,946
Orlando	2,907	5,794
Onondaga (2)	1,456	4,366
Mid-Georgia	2,102	3,482
Badger	734	3,480
Stockton	705	1,991
Chambers	1,906	1,906
Topsham	415	890
Koma Kulshan	(19)	449
Other	886	425
Total contributions from consolidated and proportionately consolidated projects	21,604	51,469
Amortization	7,900	22,673
Interest expense, net	1,648	4,573
Consolidated and proportionately consolidated project earnings, net	12,056	24,223
Contributions from equity projects(1)		
Selkirk	4,067	13,480
Rumford	1,765	5,377
Gregory	1,664	3,971
MASSPOWER	99	3,484
JPPC	1,224	3,328
Delta Person	537	1,500
Other	(29)	(226)
Total contributions from equity accounted projects	9,327	30,914
Amortization	3,265	10,924
Interest expense, net	1,663	5,590
Other income (expense)	137	1,974
Equity earnings, net	4,536	16,374
Total consolidated and proportionately consolidated project earnings, net	12,056	24,223
Total equity earnings, net	4,536	16,374
Income before the undernoted	16,592	40,597

(1) Project Contributions, represent project EBITDA (earnings before interest, taxes, depreciation and amortization) excluding other income. Project contributions may differ from cash flow to

Holdings due to a variety of reasons, including principal repayments, deferred revenue, mark to market adjustments and Project cash requirements.

(2) During the three month and nine month periods ending September 30, 2005, Onondaga received net indexed swap on hedge settlements of $5,645 and $20,289 respectively.

SOURCE: Atlantic Power Corporation

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