

Atlantic Power Announces Sale of its Indirect Interest in the MASSPOWER Facility

BOSTON, MASSACHUSETTS, Dec 29, 2005 (CCNMatthews via COMTEX News Network) -- Atlantic Power Corporation (TSX:ATP.UN) ("Atlantic Power") announced today that it has completed the sale of its indirect interest in the MASSPOWER facility.

MASSPOWER is a 240 MW natural gas-fired power plant located in the Springfield, MA area. The project formerly sold most of its output under four power purchase agreements ("PPAs") to several regional utilities. The three largest PPAs were terminated in March 2005 in exchange for payments from the utilities. Since that time the plant has been operating largely as a merchant facility. Atlantic Power Holdings, LLC ("Holdings") held an indirect 17.5% interest in MASSPOWER.

On December 28, 2005, the partners of MASSPOWER sold all of their interests in the facility to Silver Ship MP Partners, LLC. As a result of the closing of the sale, Holdings received final cash distributions from the project of approximately US\$14.5 million. Proceeds will be used to pay down Holdings' revolving credit facility. The cash distributions were comprised of proceeds reserved from both the PPA termination payments in March and the subsequent sale of fuel supply and transport agreements associated with those PPAs, operating cash flow, and proceeds from the sale of the facility.

"We are very pleased with the results of the sale process," commented Barry Welch, President and CEO. "The cash generated from this asset exceeded our expectations and was significantly higher than that anticipated at the time of our initial public offering."

The former partners of MASSPOWER have formed Indian Orchard Holdings, LLC ("Indian Orchard") to hold a portion of the sale proceeds beyond what was distributed. Holdings now owns a 17.5% interest in Indian Orchard. Holdings is indirectly indemnified by the buyer of the Project for any liability greater than its portion of Indian Orchard's escrowed cash that might arise from a lawsuit previously filed by MASSPOWER's remaining power purchaser and discussed in Atlantic Power's MD&A for the nine-months ended September 30, 2005.

Atlantic Power Corporation owns interests in a diversified portfolio of fifteen 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.

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.

SOURCE: Atlantic Power Corporation

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

<https://investors.atlanticpower.com/2005-12-29-Atlantic-Power-Announces-Sale-of-its-Indirect-Interest-in-the-MASSPOWER-Facility>