Atlantic Power Corporation

Atlantic Power Corporation Announces First Quarter 2006 Results

BOSTON, MASSACHUSETTS--(CCNMatthews - May 11, 2006) - Atlantic Power Corporation (TSX: ATP.UN) -

Also Announces Appointment of New Chief Financial Officer

Atlantic Power Corporation (TSX:ATP.UN) (the "Company") today announced its results for the three months ended March 31, 2006. All amounts are in US dollars unless otherwise indicated.

Q1 2006 Highlights:

- Cash available for distributions increased 34%

- Enhanced operating performance and cash flow at existing facilities

"Following a very strong 2005, progress continued into the first quarter of the new year as we maintained our focus on maximizing returns from our assets," commented Barry Welch, President and CEO.

For the three months ended March 31, 2006 Cash Flow Available for Distribution was $10.2 million (Cdn $0.27 per IPS) compared to $7.4 million (Cdn$0.24 per IPS) last year. Distributions declared in the quarter were $10.0 million (Cdn $0.26 per IPS), and the payout ratio improved to 97.1%, versus 102% in last year's first quarter. The Company generated project revenue of $55.1 million and project income of $12.2 million in the first quarter of 2006. Net income for the three months ended March 31, 2006 was $3.3 million or $0.07 (Cdn $0.09) per IPS.

Aggregate EBITDA at the Projects, including those that are equity accounted for, increased 3% during the first quarter of 2006 compared to the prior year period. The increase is primarily due to improved operating margin at the Lake project and ownership in the Chambers project, partially offset by a full quarter without Masspower results following its sale last quarter, lower EBITDA from Pasco due to an outage this quarter, anticipated lower results from Rumford based on its transition from the previous contract to its current interim agreement, and the negative effect of volatile natural gas and oil prices on Selkirk. The Calculation of Cash Flow Available for Distribution and a breakdown of unaudited EBITDA by individual project for the three months ended March 31, 2006 is attached.

"We were pleased with our performance in the first quarter. Aggregate generation was up over 20% in the period mostly due to Chambers and plant availability was up modestly at 97.8%, with a 3% increase in EBITDA at the project level," Mr. Welch concluded.

Atlantic Power also announced today that Mr. Patrick Welch will be joining the Company as Chief Financial Officer effective May 31, 2006. Mr. Welch, who is not related to Barry Welch, has an extensive background in the energy and independent power industries obtained through his most recent positions with Duke Energy Field Services, LP and DCP Midstream Partners, LP headquartered in Denver, Colorado and previously with Dynegy Inc. and PricewaterhouseCoopers LLP in Houston, Texas.

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

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.

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 the anticipated financial results of the Company. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions.

Cash Flow Available for Distribution 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, earnings before interest, taxes, depreciation and amortization, 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 comparative information about Project performance. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

CALCULATION OF CASH FLOW AVAILABLE FOR DISTRIBUTION
(In thousands of U.S. dollars)

	Three months ended March 31, 2006	2005
	(Unaudited)	
Cash flows from operating activities	8,027	4,557
Project level debt repayment	(4,037)	(1,496)
Interest IPS portion of subordinated notes	6,127	4,753
Income tax installments recoverable	548	-
Purchase of property, plant and equipment	(422)	(464)
Cash flow available for distribution, USD	10,243	7,350
Cash flow available for distribution, CAD	11,938	8,863
Interest on IPS subordinated notes	6,127	4,753
Dividends on IPS common shares	3,824	2,742
Total IPS distributions, USD	9,951	7,495
Total IPS distributions, CAD	11,421	9,203
Cash flow available for distribution per IPS, CAD	0.27	0.24
Total distribution per IPS, CAD	0.26	0.25

PROJECT EBITDA
(In thousands of U.S. dollars) Three months ended

	Three months ended March 31, 2006	2005

	(Unaudited)	
EBITDA from consolidated and proportionately consolidated projects		
Badger	1,449	1,528
Chambers	5,976	-
Koma Kulshan	28	115
Lake	7,792	5,418
Mid-Georgia	306	713
Onondaga	1,300	765
Orlando	2,090	2,707
Pasco	1,532	3,014
Stockton	866	682
Topsham	415	830
Other	165	(222)
Total EBITDA from consolidated and proportionately consolidated projects	21,919	15,550
Amortization	10,477	7,442
Interest expense, net	3,587	1,859
Other income	(2,499)	-
Earnings from consolidated and proportionately consolidated projects	10,354	6,249
EBITDA from equity projects		
Delta Person	525	590
Gregory	958	1,125
JPPC	1,008	955
Masspower	-	2,716
Rumford	843	1,795
Selkirk	3,165	4,992
Other	(47)	(98)
Total EBITDA from equity projects	6,452	12,075
Amortization	2,993	3,361
Interest expense, net	1,404	2,084
Income tax	220	191
Equity earnings, net	1,835	6,439
Project income		
Total EBITDA from all projects	28,371	27,625
Amortization	13,470	10,803
Interest expense, net	4,991	3,943
Other income	(2,499)	-
Income tax	220	191
Project income	12,189	12,688
Earnings from consolidated and proportionately consolidated projects	10,354	6,249
Equity earnings, net	1,835	6,439
Project income	12,189	12,688

FOR FURTHER INFORMATION PLEASE CONTACT:
Atlantic Power Corporation

Barry Welch
(617) 977-2700
Email: info@atlanticpowercorporation.com

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