

Atlantic Power Announces Cash Distribution Increase

BOSTON, MASSACHUSETTS, Sep 8, 2005 (CCNMatthews via COMTEX News Network) -- Atlantic Power Corporation (TSX:ATP.UN) ("Atlantic Power") - announced today that it will increase its annual distribution to shareholders by Cdn\$ 0.03 per share commencing with the September 2005 distribution.

"We are very pleased to announce this increase in annual cash distributions, the first since our initial public offering in November 2004," commented Barry Welch, President and CEO. "The increase is primarily due to our accretive acquisition of an interest in the Chambers power facility, demonstrating the ongoing execution of our strategy to support and grow distributions over time."

Atlantic Power also announced today that it had completed the previously announced acquisition by Atlantic Power Holdings, LLC ("Holdings") of Epsilon Power Partners, LLC ("Epsilon"). Epsilon 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 Chambers Works complex in southwestern New Jersey. The equity purchase price was approximately US \$62.75 million and was funded by cash and a draw on Holdings' revolving credit facility. Epsilon has approximately \$43 million of debt outstanding that is non-recourse to Holdings, making the total purchase price approximately \$105.75 million.

About Atlantic Power

Atlantic Power Corporation owns interests in a diversified portfolio of 16 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 Management

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