

Atlantic Power Agrees to Acquire Remaining 50.1% Interest in Pasco Cogeneration Project

BOSTON, MASSACHUSETTS--(Marketwire - Nov. 12, 2007) - Atlantic Power Corporation (TSX:ATP.UN) ("Atlantic Power" or the "Company") announced today that it has agreed to acquire the remaining 50.1% of Pasco Cogeneration, L.P., ("Pasco") from its current partners. The acquisition is expected to close in late December.

HIGHLIGHTS:

- Strong historical operating performance
- Recent turbine and other upgrades provide enhanced operating efficiency
- Stable margin, long-term tolling agreement from 2009 - 2018 with no commodity price risk
- Minimized chance for unexpected downsides based on strong working knowledge of the project and no changes to operations or maintenance personnel
- Purchasing with cash on hand - strong immediate accretion to distributable cash flow

Pasco owns and operates a 121 megawatt gas-fired cogeneration facility located in Dade City, Florida in which Atlantic Power currently holds a 49.9% interest. Pasco sells electricity currently to Progress Energy Florida ("PEF") under a power sales agreement that expires on December 31, 2008. On August 14, 2007 the Company announced that it had negotiated a new ten-year tolling agreement with Tampa Electric Company ("TECo") that begins January 1, 2009 and runs through December 31, 2018.

Based on management's current expectations of operating cash flow and debt service reserve releases, the acquisition of the remaining interest in Pasco is expected to increase distributions to Atlantic Power from Pasco by approximately \$2.5 million in 2007 and \$7.0 million in both 2008 and 2009. In 2010 through 2018, based on management's expectations of operating performance and the terms of the new tolling agreement with TECo, the additional ownership in Pasco is expected to provide additional distributions to the Company of approximately \$2 million per year.

The Company expects to finance the equity purchase price of approximately \$25 million with cash on hand. There is a total of \$15 million of existing debt at Pasco which is non-recourse to Atlantic Power and matures on December 31, 2008. The transaction is subject to approval by the Project's lenders, which is expected shortly.

"We are continuing to execute on our growth strategy by acquiring the remaining interest in this long-term, fully-contracted asset," commented Barry Welch, President and CEO. "The strong cash flow profile associated with this acquisition is further enhanced by financing the purchase with cash on hand, including the proceeds from the previously announced sale of our Jamaica Project, which closed on October 30. We currently plan to use the near term incremental cash flow from the additional interest in Pasco for further growth opportunities"

Atlantic Power Corporation owns interests in a diversified portfolio of fourteen power generation projects and a transmission line located 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 acquisition of the remaining interest in Pasco and the anticipated additions to cash flow expected to be generated over the period 2007 to 2018 from the additional ownership interest in Pasco. Such statements are subject to certain risks, uncertainties and assumptions which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the ability of the Company to satisfy conditions under the purchase agreement and the anticipated financial and operating performance of Pasco. In particular, the additional cash flow expected to be generated by the acquisition assumes that the asset continues to operate as expected and that the counterparties to the relevant Project contracts continue to fulfill their obligations. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this news release represent our expectations as of November 1, 2007 and, accordingly, are subject to change after such date. Except as required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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