Atlantic Power Corporation

Atlantic Power Corporation Announces Strong First Quarter 2008 Results

BOSTON, MASSACHUSETTS -- (MARKET WIRE) -- 05/14/08 -- Atlantic Power Corporation (TSX: ATP.UN)(TSX: ATP.DB) (the "Company") today announced its results for the three months ended March 31, 2008. All amounts are in U.S. dollars unless otherwise indicated.

Q1 2008 Highlights:

- Distributable cash increased 42% compared to the first quarter of 2007

- One-time reserve release at Gregory contributed $8.2 million in cash

- Increased ownership interest in Pasco Project boosted cash from operations

"Our distributable cash was significantly enhanced by the Gregory release and our increased ownership in Pasco. We also had positive developments with the Path 15 rate case and at Onondaga. Our sizable and growing cash balance leaves us in a strong competitive position for potential acquisitions," commented Barry Welch, President and CEO.

Cash Flow Available for Distribution

For the three months ended March 31, 2008, Cash Flow Available for Distribution rose 42% to $29.8 million compared to $21.0 million for the same period last year. Distributions declared in the first quarter of 2008 were $16.2 million. The increase in Cash Flow Available for Distribution is primarily attributable to the receipt of an $8.2 million distribution from the Gregory Project resulting from a release of accumulated operating cash flows that were previously restricted under the Project's financing agreement and approximately $4.0 million in cash flow resulting from the increased ownership in the Pasco Project acquired in December 2007. Partially offsetting these gains was an unplanned outage at the Orlando Project that began on January 24, 2008.

Strong Operating Performance

Adjusted EBITDA at the Projects, including earnings from equity investments, increased 22% to $47.7 million for the quarter ended March 31, 2008, compared to the same period last year. The increase in Adjusted EBITDA for the three month period was due to the additional ownership in Pasco as well as the $8.2 million distribution from the Gregory Project described above. These increases were partially offset by reduced Adjusted EBITDA at Orlando due to its unplanned outage that is expected to be completed the week of May 18. However, the Project took advantage of the outage and was able to accelerate major maintenance that had been scheduled for later in the spring.

Recent Developments

In February, the Federal Energy Regulatory Commission ("FERC") issued an order in Path 15's rate case in which the Project was allowed to begin collecting the new proposed rates immediately and summarily approved several key issues, including continuation for three years of the 13.5% return on equity. Two intervening parties subsequently filed requests for rehearing with the FERC and two formal settlement meetings have taken place before a FERC appointed judge with the goal of settling all issues among the parties. The new rates being collected are subject to refund for portions that are settled by the parties on a basis other than as filed.

The Onondaga Project executed an agreement to sell the Project's gas turbines and the Company estimates that it will receive net proceeds of approximately $6 million. The generating facility was formally taken offline on April 30, although payments continue under the Project's swap and indexed hedge agreements through June. The Company has continued its feasibility analysis with an experienced developer for redeveloping the site into a 40 MW biomass plant.

The calculation of Cash Flow Available for Distribution and a summary of Adjusted EBITDA by individual project for the three months ended March 31, 2008 are attached to this news release.

The Company's financial statements for the period and management's discussion and analysis for the three months ended March 31, 2008 are available on the Company's website at www.atlanticpowercorporation.com and on SEDAR at www.sedar.com.

Atlantic Power Corporation owns interests in a diversified portfolio of 14 power generation projects and one transmission line located 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.

Certain statements in this news release may constitute "forward-looking statements", which reflect the expectations of Atlantic Power Management, LLC (the "Manager") regarding future growth, results of operations, performance and business prospects and opportunities of Atlantic Power Corporation (the "Company"), Atlantic Power Holdings, LLC ("Atlantic Holdings") and the Projects (as defined below). Such forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" section in this the Company's management's discussion and analysis for the year ended December 31, 2007 and under "Risk Factors" in the Company's annual information form dated March 28, 2008. Although the forward-looking statements contained in this news release are based upon what are believed to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Cash Flow Available for Distribution is not a measure recognized under Canadian generally accepted accounting principles ("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 Cash Flows from Operating Activities to Cash Flow Available for Distributions is attached to this news release and is also included in the Company's management's discussion and analysis for the three months ended March 31, 2008. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

Adjusted EBITDA, earnings before interest, taxes, depreciation and amortization (including non-cash impairment charges), is not a measure recognized under GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers and does not have a standardized meaning prescribed by GAAP. Management uses Adjusted EBITDA at the Project-level 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 issuers.

Atlantic Power Corporation
Cash Flow Available for Distribution(2)
(In thousands of U.S. dollars, except as otherwise stated)

(unaudited)	Three months ended March 31, 2008	2007(1)
Cash flows from operating activities	27,429	18,782
Project- level debt repayment	(5,790)	(4,689)
Interest on IPS portion of Subordinated Notes	9,704	8,354
Purchase of property, plant and equipment	(1,531)	(1,426)
Cash flow available for distribution, US$	29,812	21,021
Interest on IPS Subordinated Notes	9,704	8,354
Dividends on IPS Common Shares	6,517	5,610
Total IPS distributions, US$	16,221	13,964
Cash flow available for distribution per IPS, US$		
- basic	0.48	0.34
- diluted	0.45	0.32
Total distribution declared per IPS, US$	0.26	0.23
Cash flow available for distribution, Cdn$	29,928	24,384
Total IPS distributions, Cdn$	16,296	16,297
Cash flow available for distribution per IPS, Cdn$		
- basic	0.49	0.40
- diluted	0.45	0.37
Total distribution declared per IPS, Cdn$	0.27	0.27

(1) Amounts previously reported in 2007 have been revised to conform to the calculation of Cash Available for Distribution adopted in 2008, which does not include any adjustment for income taxes recoverable. Through the end of 2007, the Company was required to pay tax instalments based on estimates of taxable income without the benefit of the interest deduction related to the Subordinated Notes and Debentures. This requirement resulted in the payment of significant tax instalments to the IRS, followed by a refund of most of the instalment payments when the actual tax returns were filed in subsequent periods with the full benefit of the interest deductions on the Subordinated Notes and Debentures. As of January 1, 2008, the Company is permitted to calculate tax instalment payments with the full benefit of these interest payments factored into estimated taxable income. As a result, management expects significant fluctuations in working capital related to tax instalments and subsequent refunds to decrease and the adjustment to Cash Flow Available for Distribution is no longer needed.

(2) Cash Flow Available for Distribution is not a recognized measure under GAAP and does not have any standardized meaning prescribed by GAAP. Therefore, this measure may not be comparable to similar measures presented by other issuers. See "Non-GAAP Financial Measures".

Atlantic Power Corporation
Project Adjusted EBITDA(1) (in thousands of U.S. dollars)

(unaudited)	Three months ended March 31, 2008	2007
Adjusted EBITDA from consolidated and proportionately consolidated Projects		
Badger Creek	1,612	1,276
Chambers	8,284	7,796
Koma Kulshan	(101)	172
Lake	7,483	6,962
Mid-Georgia	802	442
Onondaga	4,440	5,754
Orlando	(1,219)	2,252
Pasco	7,528	3,317
Stockton	1,096	996
Topsham	686	415
Path 15	7,064	7,380
Other	260	200
Total adjusted EBITDA from consolidated and proportionately consolidated Projects	37,935	36,962
Amortization	13,319	12,758
Interest expense, net	6,258	6,157
Change in the fair value of derivative instruments	26,060	53,995
Other income	(523)	9
Earnings (loss) from consolidated and proportionately consolidated Projects	(7,179)	(35,958)
Adjusted EBITDA from equity and cost method Projects		
Delta-Person	494	598
Gregory	8,143	-
Jamaica	-	982
Rumford	591	596
Selkirk	740	-
Other	(163)	(41)
Total adjusted EBITDA from equity and cost method Projects	9,805	2,135
Amortization	463	485
Interest expense, net	225	353
Income tax	-	212
Income from long-term investments	9,117	1,085

Project income

Total adjusted EBITDA from all Projects	47,740	39,097
Amortization	13,782	13,243
Interest expense, net	6,483	6,510
Other (income) expense	(523)	9
Change in fair value of derivative instruments	26,060	53,995
Income tax	-	212
Project income (loss) as reported in the statement of income	1,938	(34,873)
Earnings (loss) from consolidated and proportionately consolidated Projects	(7,179)	(35,958)
Income from long-term investments	9,117	1,085
Project income (loss) as reported in the statement of income	1,938	(34,873)

(1) Adjusted EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization (including non-cash impairment charges) and changes in fair value of derivative instruments. Management uses Adjusted EBITDA at the Projects to provide comparative information about Project performance.

Contacts:
Atlantic Power Corporation

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

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