

## Atlantic Power Corporation Announces First Quarter 2009 Results

TORONTO, ONTARIO -- (MARKET WIRE) -- 05/15/09 -- Atlantic Power Corporation (TSX: ATP.UN)(TSX: ATP.DB) (the "Company") today announced its results for the three months ended March 31, 2009. All amounts are in U.S. dollars unless otherwise indicated.

### Q1 2009 Highlights:

- New investment in biomass power plant development company
- Auburndale acquisition making solid contribution to earnings and cash flow
- Management reiterates guidance that cash distributions to remain stable into 2015
- Path 15 uncontested rate case settlement filed with FERC
- Conservative 74% payout ratio

"Our projects continue to perform well and generate solid cash flow," commented Barry Welch, President and CEO. "Looking ahead, our recent investment in Rollcast, Inc. gives us access to 250 MW of excellent biomass investment opportunities over the next few years."

### Operating Performance

Adjusted EBITDA at the Projects, including earnings from equity investments, decreased by \$11.4 million for the quarter ended March 31, 2009 compared to the same period last year. Adjusted EBITDA in the first quarter was affected by a number of factors, including:

- Increased EBITDA in 2009 attributable to the acquisition of the Auburndale project in November 2008
- The absence of EBITDA in 2009 at Onondaga as the contracts that provided substantially all of the project's cash flow expired in the second quarter of 2008
- A non-recurring distribution in the first quarter of 2008 from the cost method Gregory Project related to the non-recurring release of debt service reserves at that Project
- Increased EBITDA in 2009 at Orlando as there was an unplanned outage in the first quarter of 2008
- Lower EBITDA in 2009 at Pasco due to the commencement of the Project's new ten-year tolling agreement on January 1, 2009 at lower rates than the power purchase agreement that expired at the end of 2008

### Cash Flow Available for Distribution

For the three months ended March 31, 2008, Cash Flow Available for Distribution declined to \$18.0 million compared to \$29.8 million for the same period last year. The decrease is due primarily to changes in cash flow from operating activities, largely explained by the above-noted changes in Adjusted Project EBITDA. Distributions declared in the first quarter of 2009 were \$13.3 million, resulting in a payout ratio of 74% compared to a payout ratio of 54% in last year's first quarter.

### Recent Developments

On March 31, 2009, the Company indirectly acquired a 40% equity interest in Rollcast Energy, Inc., a North Carolina Corporation ("Rollcast"). Rollcast is a developer of biomass power plants in the southeastern U.S. with five 50MW projects in various stages of development. The investment in Rollcast gives the Company the option to invest equity in all of Rollcast's biomass power plants. Two of the projects have 20-year power purchase agreements with strong offtakers, and which contain fuel price pass-through mechanisms. Total cash paid for the equity interest was \$3.0.

During the first quarter of 2009, the Company transferred its remaining net assets of Onondaga Cogeneration Limited Partnership into a 50%-owned joint venture, Onondaga Renewables, LLC. As previously disclosed, management is continuing its efforts with an experienced developer to redevelop the Onondaga site into a 35-40 MW biomass plant.

On March 23, 2009 Path 15, FERC staff, and the intervenors in the Project's rate case filed an uncontested settlement with the FERC related to the approval of the Company's proposed 13.5% return on equity. The terms

of the settlement will allow Path 15 to make distributions to the Company that are consistent with management's expectations in 2009 and 2010. The Company expects the FERC to approve the settlement in the next one to two months. Once approved, Path 15 will be making a refund of approximately \$1.3 million, comprising the amount collected in excess of the settlement rates since the initial order in February, 2008. Independently, the final resolution of pending landowner litigation over right-of-way issues was resolved recently, which will result in approximately \$6 million being released in the second quarter to the Company from a construction reserve account.

Subsequent to March 31, 2009, the Company acquired 481,600 IPSs at an average price of Cdn \$8.42 under the terms of its existing normal course issuer bid. As of May 15, 2009, the Company had acquired a cumulative total of 1,040,220 IPSs at an average price of Cdn \$8.61 since the inception of the issuer bid. The issuer bid will terminate on July 24, 2009 or such earlier date that the Company has acquired the maximum number of IPSs under the issuer bid. Atlantic Power pays the market price at the time of acquisition for any IPSs purchased through the facilities of the Toronto Stock Exchange ("TSX"), and all IPSs acquired under the bid are cancelled.

#### Guidance

The Company reiterates its previous guidance that based on management projections, the Company's cash on hand and projected future cash flows only from existing Projects are sufficient to meet the current level of cash distributions to IPS holders into 2015 before considering any positive impact from potential acquisitions or organic growth opportunities.

Based on year-to-date results and management projections for the remainder of the year, the Company confirms its expectation to receive distributions from its Projects in the range of \$90 million to \$95 million for the full year 2009. This amount represents a decrease of approximately \$30 million to \$35 million over distributions received from the Projects in 2008 and is partially attributable to non-recurring positive cash flows in 2008 and anticipated changes to contractual cash flows as more fully described in the Company's management's discussion and analysis for the three months ended March 31, 2009. A decrease in 2009 Project distributions has historically been included in management's long-term cash flow projections and does not change the Company's ability to continue paying distributions to shareholders at current levels.

The calculation of Cash Flow Available for Distribution and a summary of Adjusted EBITDA by individual project for the three months ended March 31, 2009 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, 2009 are available on the Company's website at [www.atlanticpowercorporation.com](http://www.atlanticpowercorporation.com) and on SEDAR at [www.sedar.com](http://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 its cash distributions over the long term and increase the Company's value 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"), 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, 2008 and under "Risk Factors" in the Company's annual information form dated March 30, 2009. 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, 2009. 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  
(In thousands of U.S. dollars, except as otherwise stated)

(unaudited)	Three months ended March 31,	
	2009	2008
Cash flows from operating activities	15,023	27,429
Project-level debt repayments	(3,920)	(5,790)
Interest on IPS portion of Subordinated Notes	7,713	9,704
Purchase of property, plant and equipment(2)	(858)	(1,531)
Cash Flow Available for Distribution(1), US\$	17,958	29,812
Interest on IPS Subordinated Notes	7,713	9,704
Dividends on IPS Common Shares	5,593	6,517
Total IPS distributions, US\$	13,306	16,221

Payout ratio	74%	54%
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Cash Flow Available for Distribution per IPS, US\$			
Basic	\$0.30	\$0.48	
Diluted	\$0.27	\$0.45	
Total distribution declared per IPS, US\$	\$0.22	\$0.26	

Cash Flow Available for Distribution, Cdn\$	22,345	29,928
Total IPS distributions, Cdn\$	16,673	16,296

Cash Flow Available for Distribution per IPS, Cdn\$			
Basic	\$0.37	\$0.49	
Diluted	\$0.34	\$0.45	
Total distribution declared per IPS, Cdn\$	\$0.27	\$0.27	

1 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".

2 Excludes \$3.0 million investment in Rollcast made in the first quarter of 2009.

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

(unaudited)	Three months ended March 31,	
	2009	2008
Adjusted EBITDA(1) from consolidated and proportionately consolidated Projects		
Auburndale	8,161	-
Badger Creek	1,220	1,612
Chambers	6,152	8,284
Koma Kulshan	(43)	(101)

Lake	7,897	7,483	
Mid-Georgia	758	802	
Onondaga	--	4,440	
Orlando	1,840	(1,219)	
Pasco	1,970	7,528	
Stockton	145	1,096	
Topsham	415	686	
Path 15	6,901	7,064	
Other	(164)	260	
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Total adjusted EBITDA(1) from consolidated and proportionately consolidated Projects		35,252	37,935
Amortization	14,981	13,319	
Interest expense, net	6,696	6,258	
Change in the fair value of derivative instruments		60,590	26,060
Other (income) expense	191	(523)	
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Loss from consolidated and proportionately consolidated Projects		(47,206)	(7,179)
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Adjusted EBITDA(1) from equity and cost method Projects			
Delta-Person	434	494	
Gregory	-	8,143	
Rumford	656	591	
Selkirk	-	740	
Other	-	(163)	
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Total adjusted EBITDA(1) from equity and cost method Projects	1,090	9,805	
Amortization	210	463	
Interest expense, net	97	225	
Other Income	(95)	-	
Income tax	-	-	
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Income from cost and equity investments		878	9,117
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Project income			
Total adjusted EBITDA(1) from all Projects		36,342	47,740
Amortization	15,191	13,782	
Interest expense, net	6,793	6,483	
Change in the fair value of derivative instruments		60,590	26,060
Other (income) expense	96	(523)	
Income taxes	-	-	
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Project income (loss) as reported in the statement of income	(46,328)	1,938	
Loss from consolidated and proportionately consolidated Projects		(47,206)	(7,179)
Equity income from equity and costs investments		878	9,117
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Project income (loss) as reported in the statement of income	(46,328)	1,938	
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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. See "Non-GAAP Financial Measures" in this MD&A.

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