

Atlantic Power Announces Agreement to Sell its Interest in Mid-Georgia Power Project

BOSTON, MASSACHUSETTS -- (MARKET WIRE) -- 08/18/09 -- Atlantic Power Corporation (TSX: ATP.UN) ("Atlantic Power" or the "Company") announced today that it had signed a purchase and sale agreement to sell its 50% interest in its Mid-Georgia Project to Perennial Power Holdings, Inc. a wholly-owned, indirect subsidiary of Sumitomo Corporation for cash proceeds of approximately \$29 million. Mid-Georgia is a 308 MW dual-fuel, combined-cycle cogeneration project located in Kathleen, Georgia. The closing of the sale is subject to customary closing conditions and is anticipated to occur before the end of 2009. The project's other 50% owner has also agreed to sell its interest at the same time. The Company expects to record a book gain on the sale of approximately \$16 million and a tax gain of approximately \$12 million.

"Historically, Mid-Georgia has provided minimal Adjusted EBITDA to Atlantic Power and was not expected to make cash distributions to the Company for the next several years. We are pleased with the price that resulted from this unsolicited interest and the proceeds from the sale will be used to finance accretive growth opportunities," commented Barry Welch, President and Chief Executive Officer. "From a tax perspective, this sale fits nicely with the sale of our interest in the Stockton project, as the taxable gain from Mid-Georgia will be almost exactly offset by the taxable loss from Stockton", added Mr. Welch.

About Atlantic Power

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 maintain the stability of cash distributions to its shareholders and increase the long term value of the Company by enhancing the performance of its existing assets and by making accretive acquisitions. For more information, please visit the Corporation's website at www.atlanticpowercorporation.com.

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 and the Projects. Examples of such statements include the expectation that the sale of Mid-Georgia will be completed before the end of 2009 for cash proceeds of approximately \$29 million, a book gain of approximately \$16 million and a tax gain of approximately \$12 million. Such forward-looking statements reflect current expectations regarding future events and speak only as of the date of this news release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the assumption that the Mid-Georgia disposition will be completed as described. 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. In addition to the assumption described above, reference should also be had to the factors discussed 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.

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