

Atlantic Power Corporation Announces Bought Deal Financing of Unsecured Subordinated Convertible Debentures

TORONTO, ONTARIO – Atlantic Power Corporation (TSX: ATP.UN, ATP.DB) (the “Company”) has announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, under which the underwriters have agreed to purchase on a bought deal basis Cdn\$75 million aggregate principal amount of convertible unsecured subordinated debentures due March 15, 2017 (the “Debentures”).

The Debentures will bear interest at a rate of 6.25% per annum payable semi-annually and will be convertible at the option of the holder into common shares (“Common Shares”) of the Company at a conversion rate of 76.9231 Common Shares per Cdn\$1,000 principal amount of Debentures, which is equal to a conversion price of Cdn\$13.00 per Common Share. The Income Participating Securities of the Company were exchanged for new Common Shares on a one-for-one basis on November 27, 2009 in connection with the Company’s previously announced conversion to a traditional common share structure. The Common Shares will be listed and posted for trading on the TSX on December 2, 2009. The Company has granted the underwriters an option, for a period of 30 days following the closing of the offering, to purchase up to an additional 15% of the principal amount of Debentures purchased to cover over-allotments, if any.

The Company intends to use approximately Cdn\$42.7 million of the net proceeds of the offering to retire all or substantially all of the outstanding 11.0% subordinated notes due 2016 with the remainder available to fund growth opportunities.

Disclaimer Statements

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Not for distribution to U.S. news wire services or dissemination in the United States.

Certain statements in this news release may constitute “forward-looking statements”. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “will”, “expect”, “intend”, “estimate”, “anticipate”, “plans” or “continue”, or similar expressions suggesting future outcomes or events. A specific forward looking statement contained in this press release includes the statement with respect to the intention of the Company to use approximately Cdn\$42.7 million of the net proceeds of the offering to retire all or substantially all of the outstanding 11.0% subordinated notes due 2016 with the remainder available to fund growth opportunities.

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. In addition to the assumptions and risks 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.

About Atlantic Power

Atlantic Power Corporation owns interests in a diversified portfolio of 12 power generation projects and one transmission line located in major mar

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