

Atlantic Power Corporation Announces New Wind Power Investment

BOSTON, MASSACHUSETTS--(Marketwire - July 2, 2010) - Atlantic Power Corporation (TSX:ATP)(TSX:ATP.DB) (TSX:ATP.DB.A) (the "Company") today announced that it would be purchasing a 27% ownership interest in Idaho Wind Partners 1, LLC ("IWP") for approximately \$40 million. IWP recently commenced construction of the 183-MW wind power project comprised of 11 wind farms located near Twin Falls, Idaho. The Company will indirectly own an interest in IWP, a partnership among GE Energy Financial Services, Reunion Power, and Exergy Development Group, the original project developer. The project is expected to complete construction by the end of 2010.

IWP has 20-year power purchase agreements with Idaho Power Company under which all electricity produced by the wind farms will be sold at fixed prices. IWP has entered into a turnkey construction contract with Fagen Inc. a leading engineering, procurement and construction firm. The wind turbines will be provided by GE Energy and supported by a seven-year operations and maintenance agreement. The GE 1.5 MW turbine is the most widely installed turbine in the world, with approximately 13,500 units installed.

"We are very pleased to be investing in our first wind power project with such strong partners who have significant industry experience. This accretive investment will further broaden and diversify our portfolio and extend the average term of our generating assets' power purchase agreements," said Mr. Welch, Atlantic Power's President and CEO. "The project's 20-year PPAs also provide Atlantic Power with stable contracted long-term cash flow with virtually no exposure to commodity prices."

The Company's investment in IWP will be funded with cash on hand and a \$20 million borrowing under its senior credit facility. Additional details about permanent financing of the project and guidance about its accretive cash flow to the Company will be released at a later date.

Certain statements in this news release may constitute "forward-looking statements", which reflect the expectations of the Company regarding the Company's expectations about its investment in IWP. Such forward-looking statements reflect current expectations regarding future events and operating performance 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 assumptions that the IWP construction will be complete in 2010. 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, events will occur. In addition to the assumptions described above, reference should also be made to the factors discussed under "Risk Factors" in the Company's Annual Information Form dated March 29, 2010. 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 is an independent power producer that owns interests in a diversified fleet of power generation and transmission projects located in the United States. Atlantic Power's objectives are to maintain the stability of dividends 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.

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