

Atlantic Power Corporation Announces Closing of Public Offerings of Common Shares and Convertible Unsecured Debentures

BOSTON, MASSACHUSETTS -- (MARKET WIRE) -- 10/20/10 -- Atlantic Power Corporation (TSX: ATP)(TSX: ATP.DB) (TSX: ATP.DB.A)(NYSE: AT) (the "Company" or "Atlantic Power") announced today the closing of its public offering of 6,029,000 common shares of the Company (the "Common Shares"), including 784,000 Common Shares issued pursuant to the exercise in full of the underwriters' over-allotment option, at a price of US\$13.35 per Common Share (the "Common Share Offering"). The Company received net proceeds from the Common Share Offering, after deducting the underwriting discounts and expenses, of approximately US\$75.6 million. BMO Capital Markets and UBS Securities LLC served as joint book-running managers of the Common Share Offering.

The Company also announced today the closing of its public offering in Canada of Cdn\$80.5 million aggregate principal amount of convertible unsecured subordinated debentures (the "Debentures") at a public offering price of Cdn\$1,000 per Debenture (the "Debenture Offering" and, together with the Common Share Offering, the "Offerings"), including Cdn\$10.5 million aggregate principal amount of Debentures pursuant to the exercise in full of the underwriters' over-allotment option. The Debentures bear interest at a rate of 5.60% per year, and will mature on June 30, 2017, unless earlier redeemed. The Debentures will be convertible into Common Shares of the Company at an initial conversion rate of 55.2486 Common Shares per Cdn\$1,000 principal amount of Debentures, representing an initial conversion price of approximately Cdn\$18.10 per Common Share (equivalent to US\$18.03 per Common Share). The Company received net proceeds from the Debenture Offering, after deducting the underwriting discounts and expenses, of approximately Cdn\$76.4 million. BMO Capital Markets acted as sole book-runner with respect to the Debenture Offering.

The Company intends to use the net proceeds from these Offerings as follows: (i) approximately US\$20 million to repay indebtedness incurred under its credit facility entered into in June 2010 to partially fund its previously-announced acquisition of a 27.6% equity interest in Idaho Wind Partners 1, LLC, and (ii) up to US\$75 million to fund an investment in the Piedmont Green Power biomass project in Barnesville, Georgia for substantially all of the equity interest in the project. Any remaining net proceeds will be used to fund additional growth opportunities and for general corporate purposes, including a potential further acquisition that the Company is currently considering.

The Common Share Offering was made solely by means of a prospectus, and the final prospectus has been filed with the Securities and Exchange Commission in the United States and a supplemented PREP prospectus has been filed with the Canadian Securities Regulators in each province and territory in Canada other than Quebec. Copies of the prospectus relating to the Common Share Offering may be obtained for free by visiting the EDGAR database on the SEC's web site at www.sec.gov or from UBS Securities LLC, Attn: Prospectus Department, 299 Park Avenue, New York, New York 10171, or by calling 1-(888) 827-7275 or from Investor Relations at BMO Capital Markets, Distribution Department, 1 First Canadian Place, B2 Level, Toronto, Ontario, M5X 1H3 (telephone: 416-363-6996 x224). The Debenture Offering was made solely by means of a prospectus, and the final prospectus has been filed with the Canadian Securities Regulators in each province and territory in Canada other than Quebec. Copies of the prospectus relating to the Debenture Offering may be obtained for free by visiting the SEDAR database on the Canadian Securities Administrators' web site at www.sedar.com or from Investor Relations at BMO Capital Markets, Distribution Department, 1 First Canadian Place, B2 Level, Toronto, Ontario, M5X 1H3 (telephone: 416-363-6996 x224).

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

About Atlantic Power

Atlantic Power Corporation is an independent power producer with power projects located in major markets in the United States. The Company's current portfolio consists of interests in 12 operational power generation projects across eight states, one wind project under construction in Idaho, a 500 kilovolt 84-mile electric transmission line located in California, and six development projects in five states. The Company's power generation projects in operation have an aggregate gross electric generation capacity of approximately 1,823 megawatts (or "MW"), in which the Company's ownership interest is approximately 808 MW. For more information, please visit the Company's website at www.atlanticpower.com.

Forward-Looking Statements

This news release may include forward-looking statements. Forward-looking statements involve risks and uncertainties. These statements, which are based on certain assumptions and describe Atlantic Power's future

plans, projections, strategies and expectations, can generally be identified by the use of the words "outlook," "objective," "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "continue," "believe," "intend," "anticipate," "expect," "target" or the negatives of these words and phrases or similar expressions that are predictions of or indicate future events or trends and which do not relate solely to present or historical matters. In particular, Atlantic Power's intention use the proceeds from the Offerings as described above constitute forward-looking statements and the intended use of proceeds from the Offerings may change from that described herein. Such forward-looking statements reflect Atlantic Power's 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. 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" in Atlantic Power's Annual Information Form dated March 29, 2010 and Atlantic Power's registration statement on Form 10, as filed with the Securities and Exchange Commission, on July 21, 2010, the relevant sections of which have been incorporated by reference into the Canadian prospectuses and Atlantic Power's Registration Statement on Form S-1. Atlantic Power's business is both competitive and subject to various risks. Although the forward-looking statements contained in this news release are based upon what Atlantic Power's believes 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. Therefore, investors are urged not to place undue reliance on Atlantic Power's forward-looking statements. These forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, Atlantic Power assumes no obligation to update or revise them to reflect new events or circumstances.

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