

Atlantic Power Corporation Announces Pricing of Public Offering of Common Shares

BOSTON, Oct. 13, 2011 /CNW/ -- Atlantic Power Corporation (TSX: ATP) (NYSE:AT) (the "Company" or "Atlantic Power") announced today that it has priced a public offering (the "Offering") of 11,000,000 common shares of the Company (the "Common Shares") at a price of US\$13.00 per share for Common Shares sold in US dollars and C\$13.26 per share for Common Shares sold in Canadian dollars, for gross proceeds of approximately C\$146 million. The Company has granted the underwriters a 30-day option to purchase up to 1,650,000 additional Common Shares at the same price to cover over-allotments, if any. TD Securities Inc. and Morgan Stanley & Co. LLC are serving as joint book-running managers of the Offering.

The Company intends to use the net proceeds from the Offering as follows: (i) to fund a portion of the cash consideration payable by the Company following its proposed direct and indirect acquisition of all of the outstanding limited partnership units of Capital Power Income L.P. pursuant to a plan of arrangement (the "Plan of Arrangement") under the Canada Business Corporations Act; and (ii) to the extent that any proceeds remain thereafter, or the Plan of Arrangement is not completed, to fund additional growth opportunities and for general corporate purposes. The Offering is not conditioned on the completion of the Plan of Arrangement and there can be no assurance that the Plan of Arrangement will be completed.

A registration statement relating to the Common Shares has been declared effective by the U.S. Securities and Exchange Commission. The Offering is being made only by means of a prospectus. A copy of the U.S. prospectus relating to the Offering may be obtained upon request from TD Securities (USA) LLC, Attn: Robin Kooyman (31 West 52nd St., New York, NY 10019, Tel: (212) 827-7392) or from Morgan Stanley, Attn: Prospectus Dept. (180 Varick St., 2nd Floor, New York, NY 10014, Tel: (866) 718-1649, Email: prospectus@morganstanley.com); and a copy of the Canadian prospectus relating to the Offering may be obtained upon request by contacting TD Securities Inc., Attn: Symcor, NPM (Email: sdconfirm@td.com, Tel: (289) 360-2009).

This press release does not constitute an offer to sell or a solicitation of an offer to buy 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 owns and operates a diverse fleet of power generation and infrastructure assets in the United States. Our power generation projects sell electricity to utilities and other large commercial customers under long-term power purchase agreements, which seek to minimize exposure to changes in commodity prices. Our power generation projects in operation have an aggregate gross electric generation capacity of approximately 1,948 megawatts in which our ownership interest is approximately 871 MW. Our corporate strategy is to generate stable cash flows from our existing assets and to make accretive acquisitions to sustain our dividend payout to shareholders, which is currently paid monthly at an annual rate of Cdn\$1.094 per share. Our current portfolio consists of interests in 12 operational power generation projects across nine states, one biomass project under construction in Georgia, and an 84-mile, 500 kilovolt electric transmission line located in California. Atlantic Power also owns a majority interest in Rollcast Energy, a biomass power plant developer with several projects under development.

Atlantic Power announced its intention to acquire Capital Power Income L.P. in June of 2011, and we expect the transaction to close in early November 2011.

Atlantic Power trades on the New York Stock Exchange under the symbol AT, on the Toronto Stock Exchange under the symbol ATP and has a market capitalization of approximately \$1.0 billion. 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 to complete the Plan of Arrangement and the Offering and to use the proceeds from the Offering as described above constitute forward-looking statements. 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. The completion of the Offering will be subject to market conditions and the intended use of proceeds from the Offering may change from that described herein. 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 May 6, 2011, Atlantic Power's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, on March 18, 2011 and under Atlantic Power's profile on SEDAR at www.sedar.com, and Atlantic Power's Registration Statement on Form S-1 (File No. 333-176257). 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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