

Atlantic Power Corporation Announces Closing of Public Offering of Common Shares

BOSTON, Oct. 19, 2011 /CNW/ -- Atlantic Power Corporation (TSX: ATP)(NYSE: AT) (the "Company" or "Atlantic Power") announced today the closing of its previously announced public offering of 12,650,000 common shares of the Company (the "Common Shares"), which includes 1,650,000 Common Shares issued pursuant to the exercise in full of the underwriters' over-allotment option, at a purchase price of US\$13.00 per Common Share sold in US dollars and C\$13.26 per Common Share sold in Canadian dollars, for aggregate gross proceeds of approximately C\$168 million (the "Offering"). TD Securities Inc. and Morgan Stanley & Co. LLC served 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 previously announced 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. 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 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 short form PREP prospectus has been filed with the Canadian securities regulators in each province and territory in Canada other than Quebec. A copy of the U.S. prospectus relating to the Offering may be obtained for free by visiting the EDGAR database on the SEC's web site at www.sec.gov or 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 for free by visiting the Canadian securities regulators' SEDAR website of www.sedar.com or upon request by contacting TD Securities Inc., Attn: Symcor, NPM (Email: sdconirms@td.com, Tel: (289) 360-2009).

This press release does not constitute an offer to sell or a 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 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 C\$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 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 US\$1.0 billion. For more information, please visit the Company's website at www.atlanticpower.com or contact:

Atlantic Power Corporation Barry Welch, President & CEO (617) 977-2700 info@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 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. There can be no assurance that the Plan of Arrangement will be completed 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.

For further information: Web Site: <http://www.atlanticpower.com>

<https://investors.atlanticpower.com/2011-10-19-Atlantic-Power-Corporation-Announces-Closing-of-Public-Offering-of-Common-Shares>