

Atlantic Power Corporation Announces Agreement to Acquire Ridgeline Energy Holdings, Inc.

BOSTON, Nov. 16, 2012 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") today announced that it has entered into an agreement with Veolia Environnement SA ("Veolia") to acquire all of the outstanding shares of Ridgeline Energy Holdings, Inc. ("Ridgeline Energy" or "Ridgeline"), currently a wholly-owned subsidiary of Eolfi SA, a European renewable power development company majority owned by Veolia (the "Acquisition").

"The Acquisition will add interests in three wind projects totaling 150 net MW, two in operation and one completing construction by year end," said Barry Welch, President and CEO of Atlantic Power. "These projects have 20-year and 25-year power purchase agreements ("PPAs") with investment grade off-takers, and are expected to generate \$9 to \$12 million of operating cash flow per year starting in 2013. In addition, the Company will acquire Ridgeline's development pipeline, which includes approximately 1,000 MW of solar and wind projects. The Ridgeline team will add substantial experience in renewable project acquisition, development, construction and asset management to the Company. The Ridgeline acquisition strengthens our ability to execute development stage projects which is one of our target growth areas. It also complements our other growth area, operating project acquisitions, as exemplified by the Capital Power Income LP transaction completed a year ago. In combination with cash flows from our existing diversified portfolio of assets, these growth initiatives will continue to support our dividend."

Ridgeline Energy currently has a wind and solar development pipeline of more than 20 projects in the U.S. totaling approximately 1,000 MW. Planned development expenditures in 2013 are focused on near-term opportunities where PPAs can be obtained quickly, including solar sites where investment tax credits remain available and construction could be completed as early as the first quarter of 2014. Wind development viability will depend on continued support from renewable portfolio standards in more than 30 states and a possible extension of production tax credits. While the amount of development expenditures could vary significantly depending on ongoing progress with the pipeline projects, the Company's current estimate is that the net impact of those investments along with cash flow from the operating projects will be approximately neutral in 2013 to 2015, and significantly accretive thereafter.

The Acquisition will increase the Company's ownership interest in the Rockland project to a 50% managing member interest from 30%, and add a 12.5% interest in Ridgeline's 125 MW Goshen North project. As part of the acquisition of Ridgeline, the Company will also acquire 100% of Meadow Creek, a 120 MW wind project currently under construction in Idaho, with a commercial operation date ("COD") expected in December 2012.

As part of the Acquisition, Atlantic Power will integrate Ridgeline's team of over 30 employees, which has a broad set of competencies essential for the successful identification, resource assessment, development (including permitting), construction and operation of large-scale renewable power projects. Ridgeline was responsible for developing Idaho's first utility scale wind project and has successfully developed three additional wind projects totaling 325 MW, including Rockland and Goshen North. As a part of Atlantic Power, this team will also assist the Company in its assessment and pursuit of other renewable acquisitions and in managing Atlantic Power's growing renewable energy portfolio.

The total cost of the Acquisition will be approximately \$88 million, subject to working capital adjustments. The Company currently intends to fund the acquisition from the net proceeds of a planned issuance of convertible debt.

The Acquisition is subject to approval from the Federal Energy Regulatory Commission as well as other regulatory agencies. In addition to customary closing conditions, the Acquisition closing is subject to the Company obtaining financing and the Meadow Creek project achieving certain commercial operating milestones. The Acquisition is expected to close on or before December 31, 2012.

For additional information, see the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 2012.

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

About Atlantic Power

Atlantic Power is a leading publicly traded, power generation and infrastructure company with a well-diversified portfolio of assets in the United States and Canada. The Company's 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. The net generating capacity of the Company's projects is approximately 2,117 MW, consisting of interests in 30 operational power generation projects across 11 states and 2 provinces and also an 84-mile, 500 kilovolt electric transmission line located in California. In addition, the Company has a 53 MW biomass project under construction in Georgia and an approximately 300 MW wind project under construction in Oklahoma, both of which are expected to achieve commercial operation later this year. Atlantic Power also owns a majority interest in Rollcast Energy, a biomass power plant developer in Charlotte, NC. Atlantic Power is incorporated in British Columbia, headquartered in Boston and has offices in Chicago, Toronto, Vancouver and San Diego.

The Company's corporate strategy is to increase the value of the Company through accretive acquisitions in North American markets while generating stable, contracted cash flows from its existing assets to sustain its dividend payout to shareholders. The Company's dividend is currently paid monthly at an annual rate of Cdn\$1.15 per share.

Atlantic Power has a market capitalization of approximately \$1.4 billion and trades on the New York Stock Exchange under the symbol AT and on the Toronto Stock Exchange under the symbol ATP. For more information, please visit the Company's website at www.atlanticpower.com or contact:

Atlantic Power Corporation
Amanda Wagemaker, Investor Relations
(617) 977-2700
info@atlanticpower.com

Copies of financial data and other publicly filed documents get filed on SEDAR at www.sedar.com or on EDGAR at www.sec.gov/edgar.shtml under "Atlantic Power Corporation" or on the Company's [website](#).

Cautionary Note Regarding Forward-looking Statements

To the extent any statements made in this news release contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and forward-looking information as defined under Canadian securities law (collectively, "forward-looking statements").

Certain statements in this news release may constitute "forward-looking statements", which reflect the expectations of management regarding the acquisition of Ridgeline and the future growth, results of operations, performance and business prospects and opportunities of the Company and its projects and other matters.

These statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, can generally be identified by the use of the words "may," "will," "project," "continue," "believe," "intend," "anticipate," "expect" or similar expressions that are predictions of or indicate future events or trends and which do not relate solely to present or historical matters. Examples of such statements in this press release include, but are not limited to, statements with respect to the following:

- The expectation that the Acquisition is significantly accretive after 2015;
- The expectation that expenditures on Ridgeline's pipeline will vary significantly based on ongoing progress with the pipeline projects;
- The expectation that the projects acquired with Ridgeline will generate \$9 to \$12 million a year in operating cash flow starting in 2013;
- The expectations regarding the COD for Meadow Creek;
- The expectations regarding planned expenditures on Ridgeline's pipeline as well as the viability of the solar and wind projects in the pipeline;
- The expectation that closing conditions of the Ridgeline acquisition will be met and the expectation that the Acquisition will close on or before December 31, 2012;
- The expectations for the commercial operation by year-end of the Company's Piedmont and Canadian Hills projects; and
- The expectation that total consideration paid for the Ridgeline acquisition will be approximately \$88 million, subject to working capital adjustments, and will be financed by issuing convertible debt.

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 the Company's periodic reports as filed with the Securities and Exchange Commission and applicable securities regulatory authorities in Canada from time to time. 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. The financial outlook information contained in this news release is presented to provide readers with guidance on the cash distributions expected to be received by the Company and to give readers a better understanding of the Company's ability to pay its current level of distributions into the future. Readers are cautioned that such information may not be appropriate for other purposes.

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