Atlantic Power Corporation

Atlantic Power Announces Agreement for the Sale of its Wind Portfolio

- Captures Premium Asset Values Available for Renewable Energy Projects

- Divestiture Results in Improved Financial Strength and Flexibility

- Continued Focus on Executing the Remaining Key Objectives for 2015

BOSTON, April 1, 2015 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") today announced an agreement (the "Purchase Agreement") to sell its wind generation projects to TerraForm Power, Inc. ("TerraForm") (NASDAQ: TERP) for cash proceeds of approximately $350 million, subject to certain adjustments.

These operating wind projects, representing 521 MW net ownership, are indirectly owned by Atlantic Power Transmission, Inc., a wholly-owned direct subsidiary of the Company, and will be acquired by TerraForm AP Acquisition Holdings, LLC, an indirect subsidiary of TerraForm. The following five projects located in Idaho and Oklahoma will be transferred to TerraForm subject to the Purchase Agreement: Goshen North (12.5% economic interest), Idaho Wind (27.6% economic interest), Meadow Creek (100% economic interest); Rockland Wind Farm ("Rockland") (50% economic interest, but consolidated on a 100% basis); and Canadian Hills (99% economic interest).

In addition to the receipt of approximately $350 million in cash proceeds, the Company will deconsolidate approximately $249 million of project debt (or approximately $275 million as adjusted for the Company's proportional ownership of Rockland, Goshen North and Idaho Wind) and approximately $239 million of non-controlling interest related to tax equity interests at Canadian Hills and the minority ownership interests at Rockland and Canadian Hills. On that basis, the total enterprise value ("EV") of the transaction is expected to be approximately $837 million, net of estimated reserves and other cash at the projects at closing.

"Together with our board, we considered a wide range of options for asset divestitures over the last six months as well as options for refinancing the balance sheet without asset sales," said James J. Moore, Jr., President and Chief Executive Officer of Atlantic Power. "This transaction represents a compelling valuation for our assets and will enhance our financial strength and flexibility."

Based on the Company's 2015 guidance and adjusting for the Company's proportional ownership of Rockland and Canadian Hills, the EV/Project Adjusted EBITDA multiple implied by the transaction is approximately 14 times. The equity valuation of $350 million represents a multiple of approximately 13 times expected 2015 cash distributions from the projects.

Mr. Moore continued, "In addition to completing the wind transaction, we are focused on executing the other elements of our business plan, including evaluating the best use of proceeds to optimize our capital structure for the benefit of shareholders, continuing to implement significant reductions in our corporate general and administrative expenses beyond the level already targeted for 2015, and making ongoing investments in our fleet at attractive cash-on-cash returns."

Net proceeds to the Company from the transaction are expected to be approximately $338 million after estimated transaction fees and transaction-related taxes. The Company's 2015 guidance provided on February 26, 2015 did not assume any potential asset sales. The Company expects to update this guidance for the sale of its wind assets when it reports results for the first quarter of 2015 after the market closes on May 7, 2015.

The Purchase Agreement contains customary representations, warranties, covenants, and indemnification provisions. The sale is subject to various closing conditions and approvals, including the receipt of regulatory approval by the Federal Energy Regulatory Commission, antitrust approvals under the Hart-Scott-Rodino Act, and other required governmental, third party and lender consents and approvals. The Purchase Agreement contains certain termination rights for both parties, including if the closing does not occur within ninety (90) days following the date of the Purchase Agreement (subject to extension to one hundred eighty (180) days following the date of the Purchase Agreement, if necessary to obtain applicable governmental approvals). Closing of the transaction is expected by the end of the second quarter.

In connection with the Purchase Agreement, the Company also entered into a Guaranty Agreement (the "Guaranty Agreement"), under which it has agreed to guarantee the full and prompt payment of all payment obligations of the Company under the Purchase Agreement. The parties have agreed to utilize representation and warranty insurance for coverage of certain indemnification obligations, subject to a cap and certain exclusions.

Goldman, Sachs & Co. served as financial advisor to the Company. Morgan, Lewis & Bockius LLP served as legal counsel.

About Atlantic Power

Atlantic Power owns and operates a diverse fleet of power generation assets in the United States and Canada. Atlantic Power's power generation projects sell electricity to utilities and other large commercial customers largely under long-term power purchase agreements, which seek to minimize exposure to changes in commodity prices. Its power generation projects have an aggregate gross electric generation capacity of approximately 2,945 MW in which its aggregate ownership interest is approximately 2,024 MW. Its current portfolio consists of interests in twenty-eight operational power generation projects across eleven states in the United States and two provinces in Canada.

Atlantic Power 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 are filed on SEDAR at www.sedar.com or on EDGAR at www.sec.gov/edgar.shtml under "Atlantic Power" or on Atlantic Power's website.

Project Adjusted EBITDA

Project Adjusted EBITDA is a non-GAAP measure. The Company has not provided a reconciliation of forward-looking non-GAAP measures, due primarily to variability and difficulty in making accurate forecasts and projections, as not all of the information necessary for a quantitative reconciliation is available to the Company without unreasonable efforts.

Forward-Looking Statements

Certain statements in this press release may include "forward-looking statements" within the meaning of the U.S. federal securities laws and "forward-looking information," as such term is used in Canadian securities laws (referred to as "forward-looking statements"). These forward-looking statements 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, the expectations that the

Company will successfully sell the projects currently proposed for sale and that the closing conditions will be satisfied, that the transaction will enhance the Company's financial strength and flexibility, that the equity valuation will represent a multiple of approximately 13 times expected 2015 cash distributions from the projects, and the future growth, results of operations, performance and business prospects and opportunities of the Company and its projects as described above constitute forward-looking statements. Forward-looking statements reflect the Company's current expectations regarding future events and speak only as of the date of this press release. These 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 the filings the Company makes from time to time with the U.S. Securities and Exchange Commission and Canadian securities regulators. The Company's business is both competitive and subject to various risks. Although the forward-looking statements contained in this press release are based upon what the Company 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 the Company's forward-looking statements. These forward-looking statements are made as of the date of this press 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.

SOURCE Atlantic Power Corporation
