

Atlantic Power Corporation Completes Redemption of Senior Unsecured Notes and Announces Denial of Motion for Leave and Certification in Proposed Securities Class Action in Ontario

DEDHAM, Mass., July 27, 2015 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") today announced further progress in strengthening its balance sheet and lowering its risk profile.

The Company today completed the redemption of its outstanding \$310.9 million principal amount of 9.0 percent Senior Unsecured Notes due November 2018. The Notes were redeemed at a price equal to 104.50 percent of the principal amount, plus accrued interest to the redemption date, for a total amount of \$330.4 million. The Company used the cash proceeds from the recently completed sale of its wind generation portfolio to fund the redemption. Expenses associated with the redemption totaling approximately \$19.5 million will be recorded in the Company's financial results in the third quarter of 2015.

Pro forma for the redemption of the Senior Unsecured Notes, the Company's consolidated debt is now approximately \$1.1 billion. This has been reduced approximately \$726 million on a net basis since year end 2013, including \$249 million of project debt that was assumed by the buyer of the Company's wind generation portfolio. In addition, since year end 2013, the Company has reduced its share of equity-owned project debt by approximately \$76 million, most of which was associated with the sale of the wind generation portfolio.

"The redemption of our most expensive debt is the latest step in our commitment to strengthen our financial position by reducing costs and reducing leverage. This action also improves our medium-term maturity profile. Over the past six quarters, we have reduced our total debt on a net basis by approximately \$800 million. We also continue to amortize our term loan and project-level debt over time, and expect that to further strengthen our balance sheet," said James J. Moore, Jr., President and Chief Executive Officer of Atlantic Power.

Following the redemption, the Company's remaining corporate debt consists of \$305 million (U.S. dollar equivalent) of convertible debentures, which mature in 2017 and 2019. The Company continues to explore opportunities to reshape these maturities with a goal of further improving its credit profile.

Separately, Atlantic Power announced today that the Ontario Superior Court of Justice issued a decision on July 24, 2015 denying the plaintiffs' motion for leave and certification in the proposed securities class action originally filed in March 2013 against Atlantic Power, a current officer, and a former officer and director. The Superior Court concluded that there were no misrepresentations or failures to disclose a material change by the defendants, and that there is no reasonable possibility that the plaintiffs would succeed at trial.

The Superior Court also determined that although the two plaintiffs had sought to include convertible debenture holders in the proposed class action, neither plaintiff was a debenture holder and could not act as a representative plaintiff for them. The Superior Court granted leave to reconstitute a claim for debenture holders provided that the claim be amended and that there be a debenture holder as plaintiff. In addition, the Superior Court ruled that if debenture holders were to proceed with an action, they would be required to reimburse the defendants on a partial indemnity basis for their costs of responding to the motion if the defendants were successful. The plaintiffs have not advised whether they intend to appeal the decision.

In March of this year, the Company's motion to dismiss the U.S. securities class action suit was granted by the U.S. District Court for the District of Massachusetts. In April, the plaintiffs filed a notice of appeal to the

U.S. Court of Appeals for the First Circuit. Briefs in the appeal are scheduled to be filed in August and September.

Mr. Moore added, "We are very pleased with the decision of the Ontario court denying the plaintiffs' motion for leave and certification. This result follows the dismissal of the U.S. action by the District Court earlier this year. That ruling has been appealed. We will continue to vigorously defend the Company's actions in the appeals process."

About Atlantic Power

Atlantic Power owns and operates a diverse fleet of power generation assets in the United States and Canada. The Company'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. Atlantic Power's power generation projects in operation have an aggregate gross electric generation capacity of approximately 2,137 megawatts ("MW") in which its aggregate ownership interest is approximately 1,502 MW. The Company's current portfolio consists of interests in twenty-three operational power generation projects across nine 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:

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Copies of certain 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 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 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 future growth, results of operations, performance and business prospects and opportunities of the Company and its projects. 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:

- progress in strengthening the Company's balance sheet and lowering its risk profile;
- the Company's commitment to strengthening its financial position by reducing costs and reducing leverage;
- the redemption of the Notes improving the Company's medium-term maturity profile;
- further strengthening of the Company's balance sheet through the continued amortization of the term

- loan and project-level debt;
- the Company's ability to continue to explore opportunities to reshape corporate debt maturities and improve its credit profile; and
- the nature of any further proceedings in the U.S. and Canadian securities litigation.

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. Please refer to the factors discussed under "Risk Factors" and "Forward-Looking Information" in the Company's periodic reports as filed with the Securities and Exchange Commission from time to time for a detailed discussion of the risks and uncertainties affecting the Company, including, without limitation, the Company's ability to evaluate and/or implement potential options, including asset sales or joint ventures, if the valuation of a particular asset or assets is compelling, to raise additional capital for growth and/or potential debt reduction. 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. The Company's ability to achieve its longer-term goals, including those described in this news release, is based on significant assumptions relating to and including, among other things, the general conditions of the markets in which it operates, revenues, internal and external growth opportunities, its ability to sell assets at favorable prices or at all and general financial market and interest rate conditions. The Company's actual results may differ, possibly materially and adversely, from these goals. Readers are cautioned that such information may not be appropriate for other purposes.

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<https://investors.atlanticpower.com/2015-07-27-Atlantic-Power-Corporation-Completes-Redemption-of-Senior-Unsecured-Notes-and-Announces-Denial-of-Motion-for-Leave-and-Certification-in-Proposed-Securities-Class-Action-in-Ontario,1>