

ATLANTIC POWER CORPORATION ANNOUNCES EXERCISE OF OVER-ALLOTMENT OPTION

12/6/2004

TORONTO, ONTARIO (December 6, 2004) --

Atlantic Power Corporation (TSX: ATP.UN) (the "Company") announced today that the underwriters of the initial public offering of income participating securities ("IPs") of the Company exercised their over-allotment option to purchase 4,800,000 additional IPs at a purchase price of \$10.00 per IP, for gross proceeds of \$48,000,000. The net proceeds will be used by the Company to acquire additional equity interests in Atlantic Power Holdings, LLC ("Atlantic Holdings") and by Atlantic Holdings to redeem equity interests of Atlantic Holdings held by its existing investors. After giving effect to the issuance of IPs pursuant to the over-allotment option and the transactions contemplated thereby, the Company owns a 58.1% common membership interest in Atlantic Holdings and existing investors will own a 41.9% common membership interest in Atlantic Holdings.

The Company was recently formed to invest in a diversified portfolio of interests in 15 independent power projects located primarily in the United States. Atlantic Power's objectives are to sustain and grow its cash distributions over the long term by enhancing the performance of its existing assets and by making accretive acquisitions.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the IPs in any jurisdiction. The IPs offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States of America.

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