Capital Power Corporation

Analyst Conference Call
September 17, 2009

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Cautionary Statement Regarding Forward-Looking Information

Capital Power Corporation

Certain information in this presentation and oral statements made during this presentation contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information is contained in pages 1-2 of the Company's Business Acquisition Report (BAR) dated September 16, 2009, which is filed on SEDAR and available at www.sedar.com.

Overview of Capital Power

Capital Power Corporation

- Our vision: one of North America's most respected, reliable and competitive power generators
- Provide investors with the opportunity to participate in the power generation business while maintaining a base stability of cash flows
- Major strategic focus on producing stable cash flows to support dividend through long term power purchase arrangements
- Provide investors with merchant exposure to the Alberta power market
- Target growth through prudent expansion strategy, supported by development pipeline and construction expertise

Investment Highlights

Capital Power Corporation

Large, High Quality Generation Portfolio

One of Canada's largest IPPs with interests in 31 facilities totaling ~3,300 MW of owned and/or operated generation capacity; geographic, fuel source and counterparty diversification

Modern Fleet with Excellent Operating History

Average availability of 94%; average facility age of 13 years; long remaining average useful lives

Financial Strength and Access to Capital

Initial strong capitalization and objective to maintain access to capital; investment grade credit rating

Long-Term Contracts Provide Predictable Cash Flows

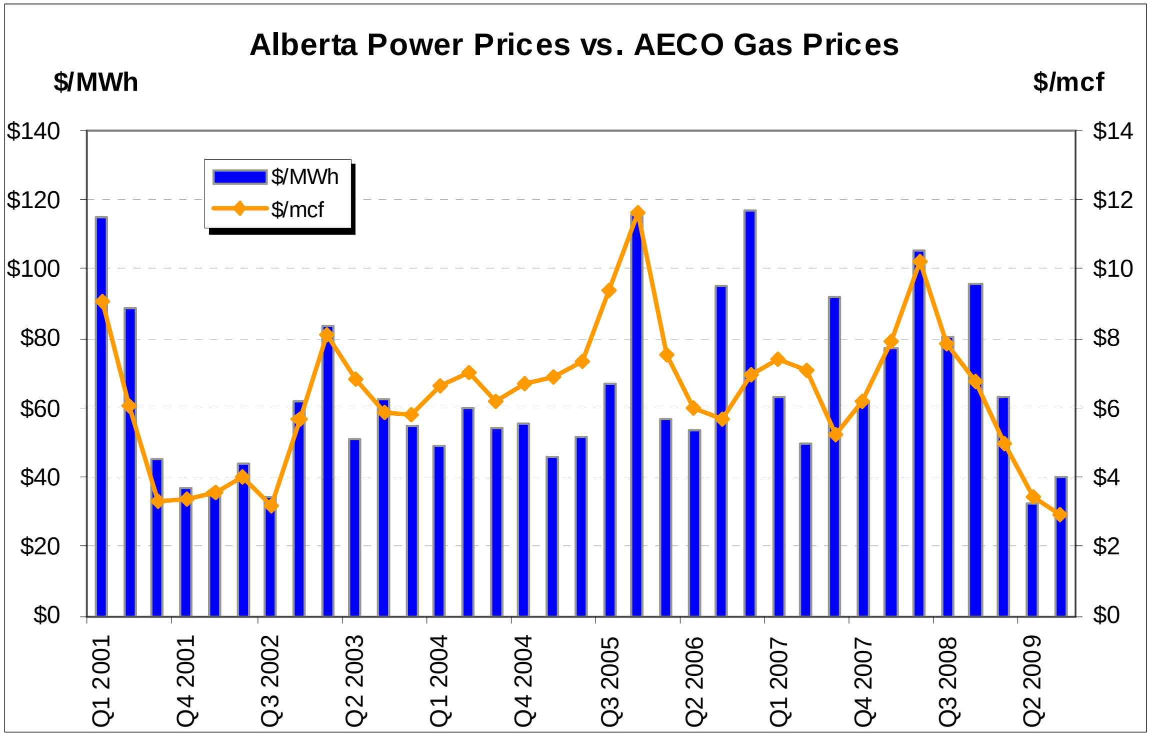
~74%(1) of generation capacity sold forward through PPAs with a remaining average contract life of 11 years; ~70% of expected commercial generation in Alberta sold on a forward basis through 2010

Outstanding Platform for Growth

Development opportunities for ~1,300 MW of generation capacity; 448 MW of owned capacity under construction

(1) Based on gross megawatt generation and includes economic interest in EPCOR Power L.P.

- Q2/09 results reflect weak power prices in the Alberta market
  - Function of low natural gas prices and strong availability of power generation units in the province
  - Average power prices in H1-09 down 48% year-over-year



Historical power prices in Alberta strongly correlated to volatility in natural gas prices

Source: National Bank Financial report (Sep 11/09)

Financial Highlights – Q2, 2009

- Higher overall average plant availability in 2009 vs. 2008
  - 93% vs. 84% in Q2
  - 95% vs. 89% in H1
- Significant decline in Alberta spot power prices mainly due to:
  - Large number of scheduled outages in H1-08
  - Lower natural gas prices in 2009
  - General slowdown of Alberta economy in Q2/09 vs. Q2/08
- Despite weak Alberta power pricing, adjusted EBITDA[(1)] up 12% and 10% yoy in Q2/09 and H1/09, respectively
  - Increase primarily due to higher availability income in 2009 and higher maintenance expenses in 2008 on G1 and G2 (Alberta Contracted Plants)
  - Increase partially offset by low generation sales from lower Alberta spot power prices (Alberta Commercial Plants)

(1) Before unrealized fair value changes in derivative instruments.

Financial Summary

3 months ended June 30[1]

($M)	2009	2008	Change
Electricity generation (GWh)	3,492	2,875	↑ 22%
Generation plant availability (%)	93%	84%	↑ 11%
Revenues[2]	$500	$726	↓ 31%
Gross margin[2,3]	$205	$190	↑ 7.9%
Adjusted EBITDA[2,3]	$103	$92	↑ 12%
Funds from operations[3]	$28	$49	↓ 43%
Historical net income (loss)	$2	$(18)	↓ 111%
Net income[4]	$11	n/a	-

(1) The operational and financial highlights in this presentation are derived from and should be read in conjunction with the financial statements and other information contained in the BAR.
(2) Before unrealized fair value changes in derivative instruments.
(3) Gross margin, Adjusted EBITDA and Funds from operations are non-GAAP financial measures. See Non-GAAP measures at end of presentation.
(4) Pro forma adjusted for IPO-related changes to capital structure, fair value and public company costs as detailed in Note 3 (pg B-5) of BAR.

Financial Summary

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6 months ended June 30[1]

($M)	2009	2008	Change
Electricity generation (GWh)	7,160	6,230	↑ 15%
Generation plant availability (%)	95%	89%	↑ 6.7%
Revenues[2]	$1,169	$1,408	↓ 17%
Gross margin[2,3]	$422	$397	↑ 6.3%
Adjusted EBITDA[2,3]	$238	$216	↑ 10%
Funds from operations[3]	$109	$119	↓ 8.4%
Historical net income (loss)	$56	$17	↑ 229%
Net income[4]	$30	n/a	-

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Hedging Alberta Spot Power Price Exposure

Alberta Commercial Portfolio

- Consists of 6 facilities and generates 40% to 50% of adjusted EBITDA[(1)]

H2-09	2010	2011
~47% hedged @ mid-$60/MWh	~80% hedged @ mid-$60/MWh	~35% to 40% hedged @ low-$70/MWh

- Sensitivity analysis to +/- $1/MWh change in Alberta power prices:

H2-09	➔	+/- $1M to adjusted EBITDA
2010	➔	+/- $1M to adjusted EBITDA
2011	➔	+/- $4M to adjusted EBITDA

(1) Before unrealized fair value changes, excluding non-controlling interest in EPLP

Financial Outlook

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H2-09

- Planned outage at G1 for scheduled equipment repairs & maintenance
- One-time G&A costs of ~$5M for reorganization
- Engineering and design costs for Genesee IGCC project

2010 vs. 2009

- Lower Alberta power prices on the Alberta Commercial Portfolio
- Sale of remaining 15% interest of Battle River PPA in January, 2010
- Scheduled maintenance outages for G2 and G3 (total operating expenses of $18M to $22M)
- Addition of Clover Bar units
  - Unit 2 – full year of operations after commissioning in Q3/09
  - Unit 3 – expected commissioning in Q3/10

Financial Outlook (Cont'd)

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Capital Expenditures[1]

- H2-09E: ~$207M
- 2010E: ~189M

} Keephills 3
Clover Bar (Units 2 & 3)

- Average annual maintenance capex: $30 - $40M
- Average annual other capex: $10 - $20M

Keephills 3

Clover Bar Energy Centre

(1) Excluding EPCOR Power L.P.

Investment Summary

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- Growth in North American power industry will continue over the long term
- Positive long-term fundamentals for the Alberta power market
- CPX well positioned to move through the trough we are experiencing today:
    - Natural gas prices expected to improve
    - 50% of EBITDA is from long term contracted plants
    - 2010 EBITDA protected by 80% hedging of uncontracted production
    - Strong balance sheet with modest leverage and excellent liquidity to capitalize on opportunities
- 20%+ of capital committed to construction projects that will materially contribute to cash flow in 2010 and 2011
- Trough provides opportunities for asset acquisitions

Questions?

Non-GAAP Financial Measures

The Company uses (i) gross margin, (ii) adjusted EBITDA, (iii) funds from operations, and (iv) funds from operations excluding non-controlling interests in EPLP as financial performance measures. These terms are not defined financial measures according to Canadian GAAP and do not have standardized meanings prescribed by GAAP, and therefore may not be comparable to similar measures used by other enterprises. These measures should not be considered an alternative to net earnings, cash flow from operating activities or other measures of financial performance calculated in accordance with Canadian GAAP. Rather, these measures are provided as additional information to complement those Canadian GAAP measures by providing further understanding of the Company's results of operations from management's perspective.

<u>Gross margin and adjusted EBITDA</u>

Capital Power uses gross margin and adjusted EBITDA to measure the operating performance of plants and groups of plants from period to period. A reconciliation of gross margin and adjusted EBITDA to net income is as follows:

(unaudited, $ millions)	Three months ended June 30		Six months ended June 30	
	2009	**2008**	**2009**	**2008**
Revenues	$ 537	$ 686	$ 1,246	$ 1,319
Energy purchases and fuel	287	439	797	836
Gross margin	250	247	449	483
Deduct (add):				
Operations, maintenance, and administration	102	98	184	181
Adjusted EBITDA	148	149	265	302
Deduct (add):				
Depreciation, amortization, and asset retirement accretion	43	46	89	91
Foreign exchange losses (gains)	2	(3)	2	10
Gain on sale of power purchase arrangement and related transactions	-	-	(30)	(34)
Net financing expenses	63	50	127	101
Income taxes	7	6	12	11
Non-controlling interests	31	68	9	106
Net income (loss)	$ 2	$ (18)	$ 56	$ 17

Non-GAAP Financial Measures (Cont'd)

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Funds from operations and funds from operations excluding non-controlling interests in EPLP

Capital Power uses funds from operations to measure the Company's ability to generate funds from current operations and measures its interest in cash flows by excluding the non-controlling interest in EPLP's cash flows. A reconciliation of funds from operations and funds from operations excluding non-controlling interests in EPLP to cash provided by operating activities is as follows:

(unaudited, $ millions)	Three months ended June 30 2009	Three months ended June 30 2008	Six months ended June 30 2009	Six months ended June 30 2008
Funds from operations excluding non-controlling interests in EPLP	$ 2	$ 33	$ 64	$ 77
Funds from operations due to non-controlling interests in EPLP	26	16	45	42
Funds from operations	28	49	109	119
Change in non-cash operating working capital	34	(7)	(20)	(10)
Cash provided by operating activities	$ 62	$ 42	$ 89	$ 109