

National Bank Financial Inc 2011 Renewable Power & Clean Tech Forum

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Forward-looking information

Cautionary statement

Certain information in this presentation and in responses to questions contain 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.

Please refer to our disclosure documents filed with securities regulators on SEDAR, which contain 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.



CAPITAL POWER OVERVIEW

Capital Power
Corporation



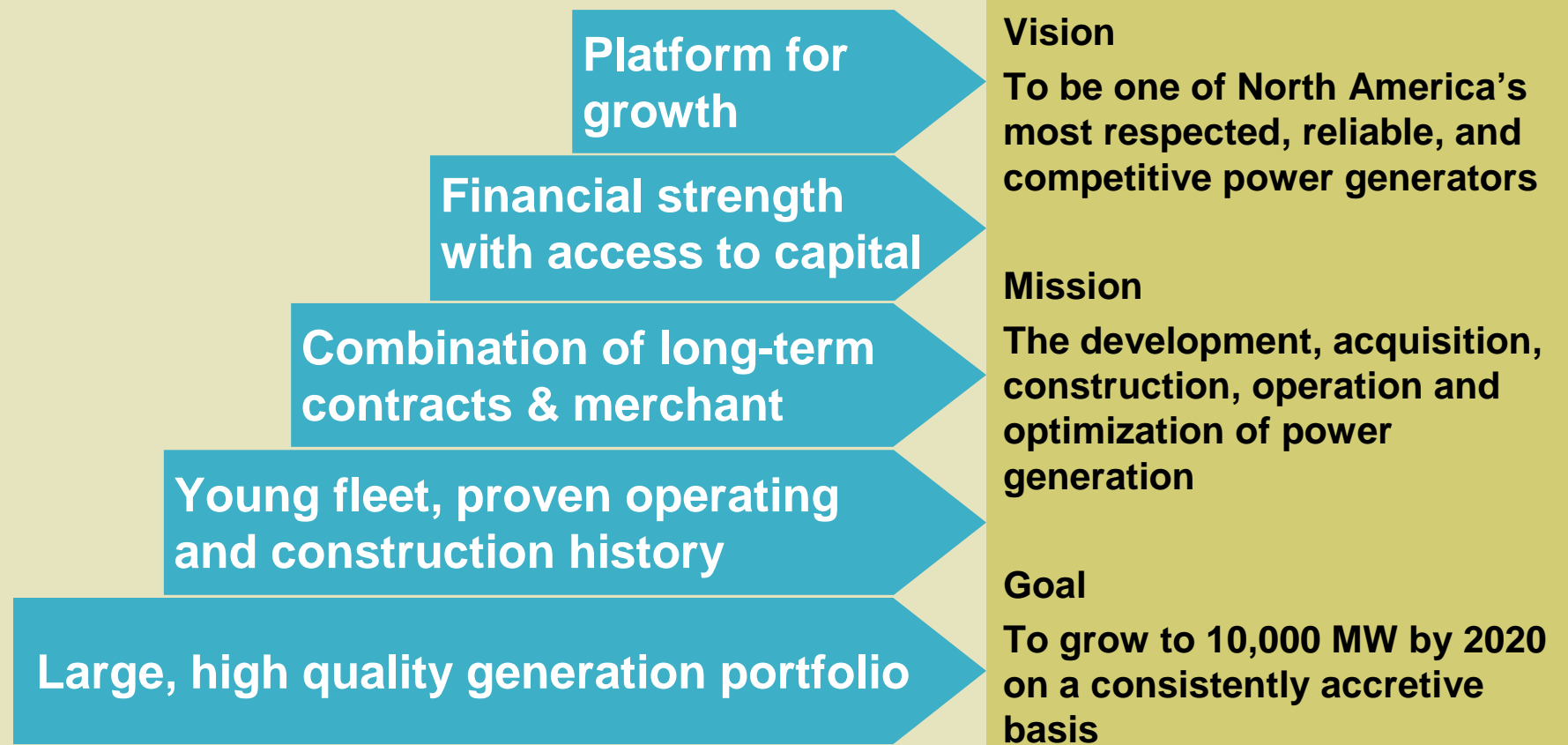
Capital Power



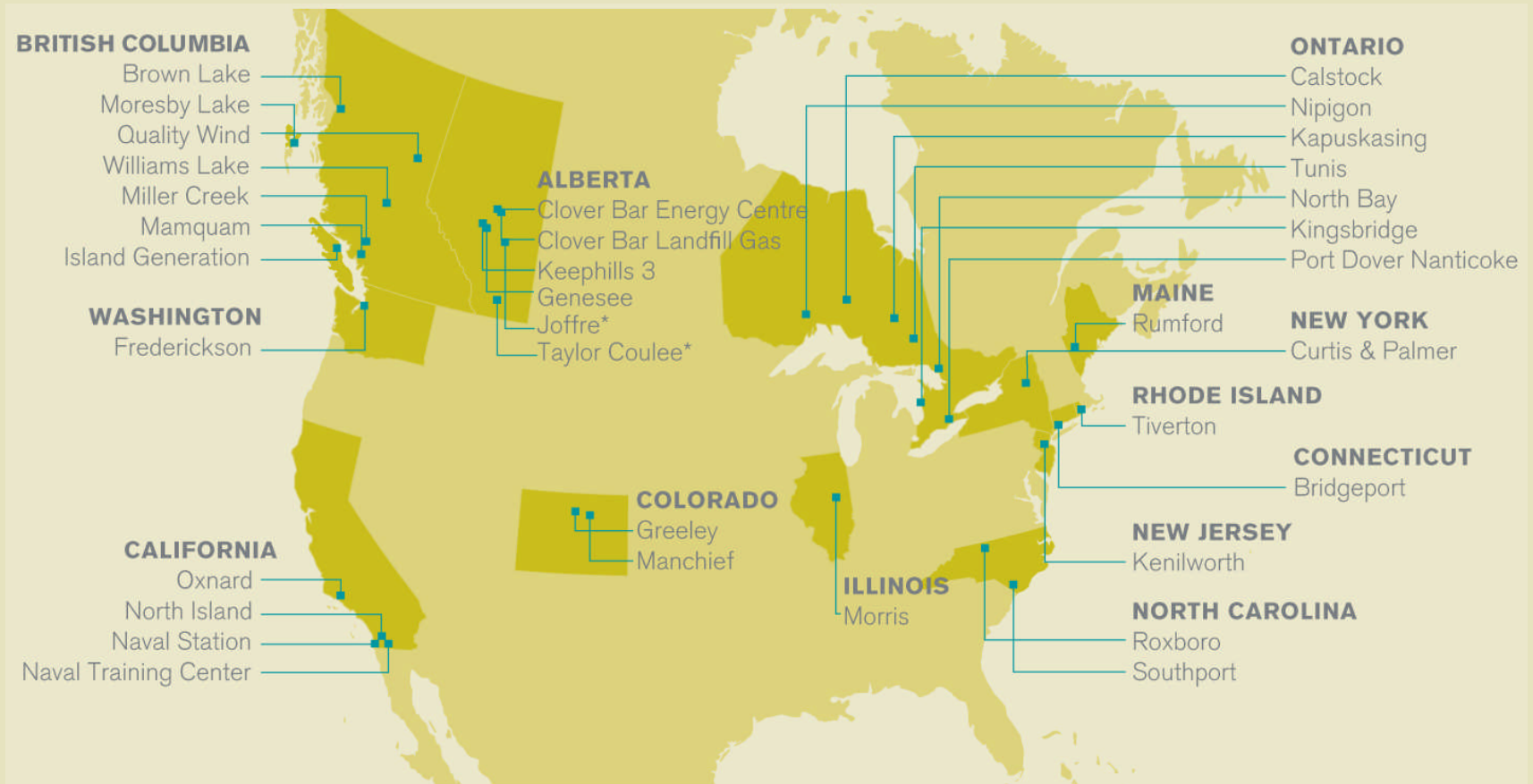
- North American power producer (TSX:CPX)
- Headquartered in Edmonton, Alberta
- 34 facilities across Canada and the US
- 4,854 MW of capacity owned or operated
- Market cap of ~\$2.2B (fully diluted)⁽¹⁾

(1) At April 30, 2011

Corporate strengths aligned with vision, mission and growth targets



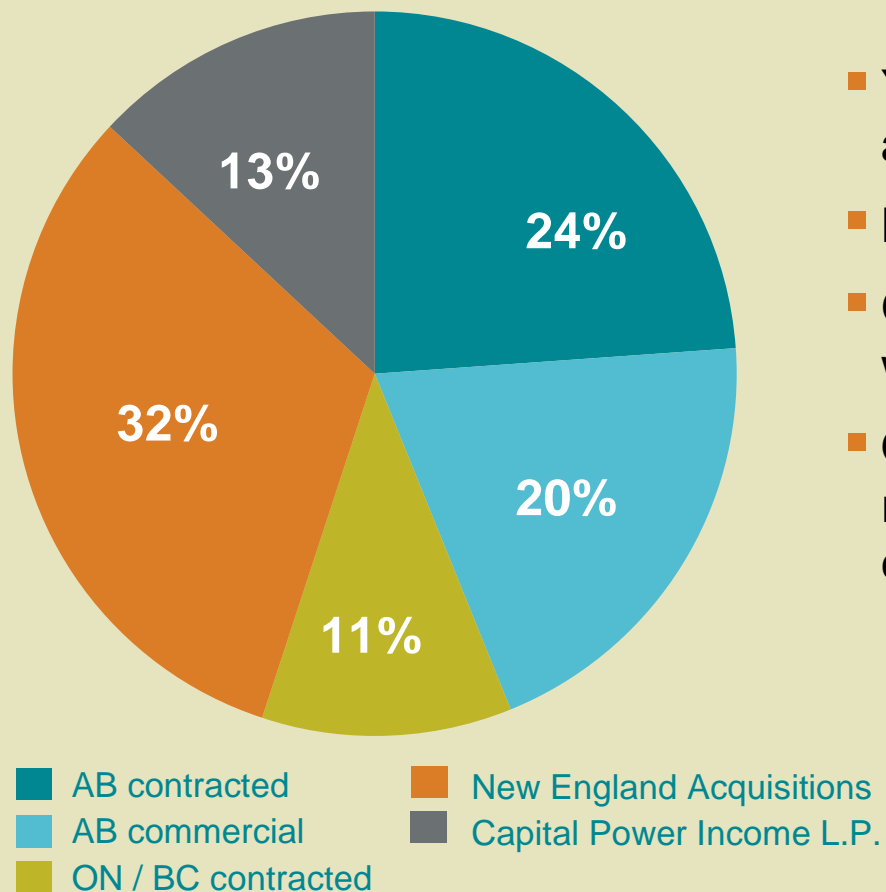
Capital Power operations



Large, high quality generation portfolio

Interests in 34 facilities nearly 4,900 MW⁽¹⁾

Segmented owned capacity by MW⁽²⁾



- Young and modern fleet with an average age of only 12.4 years⁽³⁾
- Historical operating availability $\geq 90\%$
- Growing investment in contracted wind assets
- Operations also include biomass, run-of-river hydro and recycled energy

- (1) Capacity owned and /or operated; excludes Sundance PPA (371 MW)
(2) Owned capacity of 3,391MW as of April 30/11 including pro-rata 29.3% ownership of CPILP; excludes Sundance PPA (371 MW)
(3) Average facility age weighted by owned capacity as of April 30, 2011

Capital Power's commitments to investors

- Capital Power is pursuing disciplined growth. Our goal is to triple size to 10,000 MW by 2020 on a consistently accretive basis
- We are committed to maintaining an investment-grade credit rating and balancing contracted and merchant operating margins
- Our financial strategy is designed to maintain ongoing access to cost-competitive capital to fund sustainable growth throughout the business cycle
- Our disciplined growth strategy targets large assets in select target markets, with a technology focus and a commitment to both near-term and long-term earnings accretion

Capital Power seeks to deliver Total Shareholder Return that exceeds the median of our peer group

2010 Performance Highlights

Growing ahead of plan

- Exceeded development targets, with \$1B committed to 522 MW of projects
- On-track development wind power projects in Ontario and B.C.; successful acquisition and integration of Island Generation facility; first fire at Keephills 3

High-performing fleet

- 2010 CPC plant availability 90%

Giving confidence to your investment

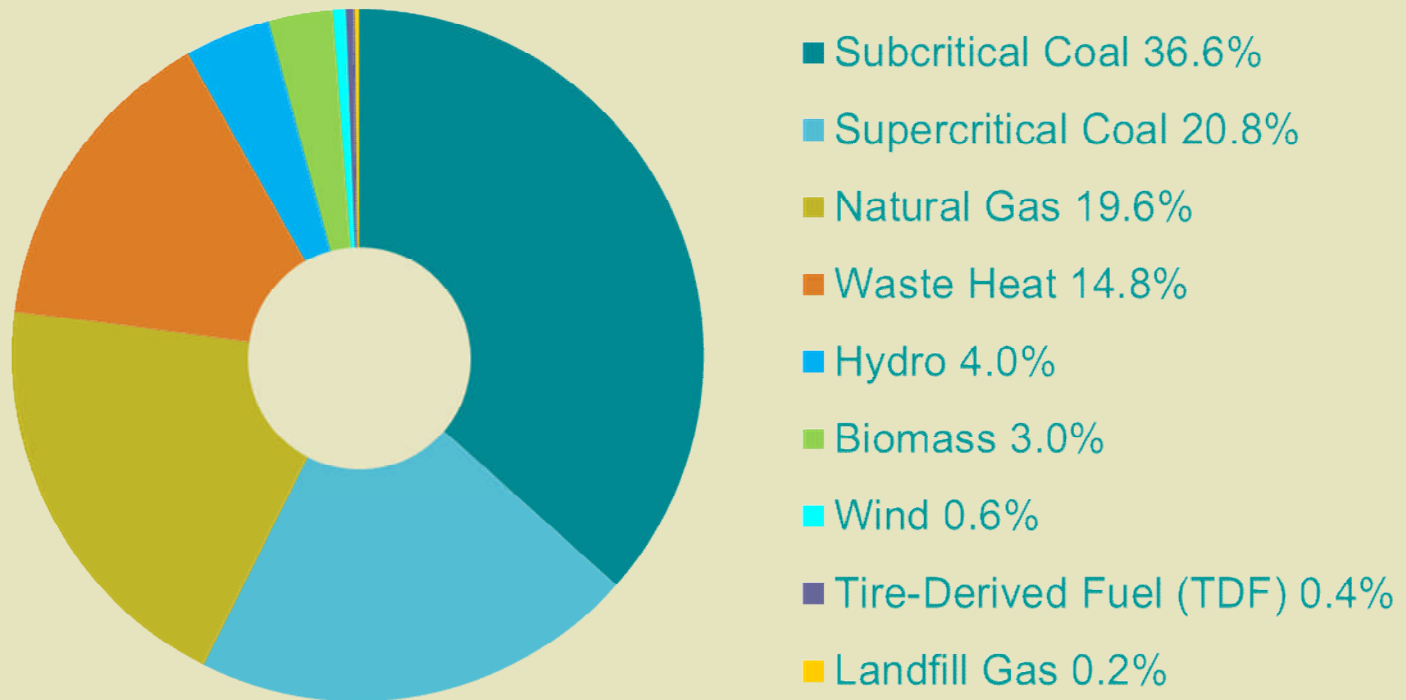
- 16.6% Total Shareholder Return (Jan 1 - Dec 31, 2010)
- \$1.40 normalized EPS exceeded guidance of \$1.20
- Successful debt, common equity and preferred equity offerings

INVESTING IN RENEWABLES

Pictured: the future site of Capital Power's Quality Wind Project, in northeastern British Columbia

Renewables play a significant role in Capital Power's operations

- In 2009, 23% of the power we generated came from renewable sources or waste heat
 - Operations include Capital Power Income LP's Williams Lake facility, one of the largest biomass facilities in North America



Environmental initiatives

Investing in contracted renewables

- Investing nearly \$800 million in the development and construction of contracted wind projects in Ontario and British Columbia

Investing in cleaner thermal generation

- Keephills 3 facility will join Genesee 3 as one of the cleanest, most advanced coal plants in Canada
- New technology at all three Genesee units monitors and captures at least 70% of the mercury in the coal
- Laser monitoring technology installed at G3 is expected to reduce carbon dioxide by 60,000 tonnes per year

Pursuing next-generation technologies

- Strategy for reducing emissions includes significant investments in new technology
 - Research funding at universities, IGCC, Carbon Capture & Storage

Environmental initiatives

Leading the development and acquisition of carbon offsets

- Capital Power has led the development of carbon offset quantification protocols, and has a significant portfolio of offset projects and credits

Preparing for federal regulation of coal-fired power generation

- Government of Canada's proposed regulation of greenhouse gas emissions from coal-fired generation would provide certainty for generators, significant reductions in national GHG emissions, and an orderly timetable for replacement generation

Current renewable generation

Kingsbridge I

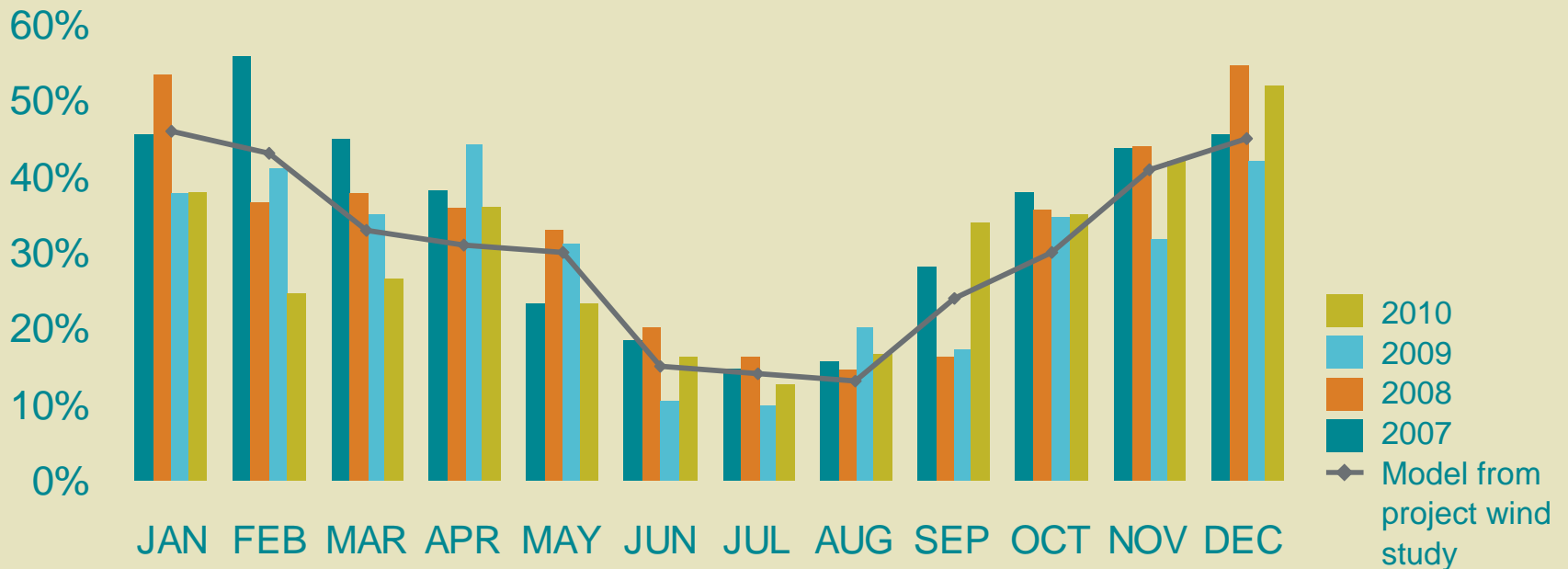


Kingsbridge I

- 40 MW wind project located near Goderich, Ontario
- Excellent operating history
- High availability (>98%)
- Contracted with the Ontario Power Authority (OPA) under two supply contracts till 2026 and 2027

Current renewable generation

Kingsbridge I - Historical Capacity Factor



Over the four years since COD, average capacity factor has exceeded 30% target and thus earned returns above expectations

Current renewable generation

Small hydroelectric plants

Miller Creek facility

- 33 MW run-of-river hydroelectric power plant located near Pemberton, BC
- 20-year term EPA in place with BC Hydro, ending May 2023
- Commissioned in 2003

Brown Lake facility

- 7 MW hydroelectric power plant located near Prince Rupert, BC
- 20-year term EPA with BC Hydro, ending in December 2016
- Commissioned in 1996

Taylor Coulee Chute

- 13 MW hydroelectric power plant located near Lethbridge, AB
- Commissioned in 2000



Miller Creek facility

Growth contracted generation

Quality Wind Project Update

- 142 MW (79 wind turbines @ 1.8 MW each)
- Located near Tumbler Ridge, BC
- Turbine supply contract awarded to Vestas
- Construction activities started
- COD planned before end of 2012



Quality Wind Project – Artist Rendering

Quality Wind Project Expectations

- Expected cost \$455 million
- Awarded 25 year EPA from BC Hydro
- Expected ~35% capacity factor (5 year wind study)
- Expected to be immediately accretive to earnings after project completion
- Meets financial target of 9% unlevered, after-tax IRR for contracted assets
- On track in terms of timing and in terms of budget expectations

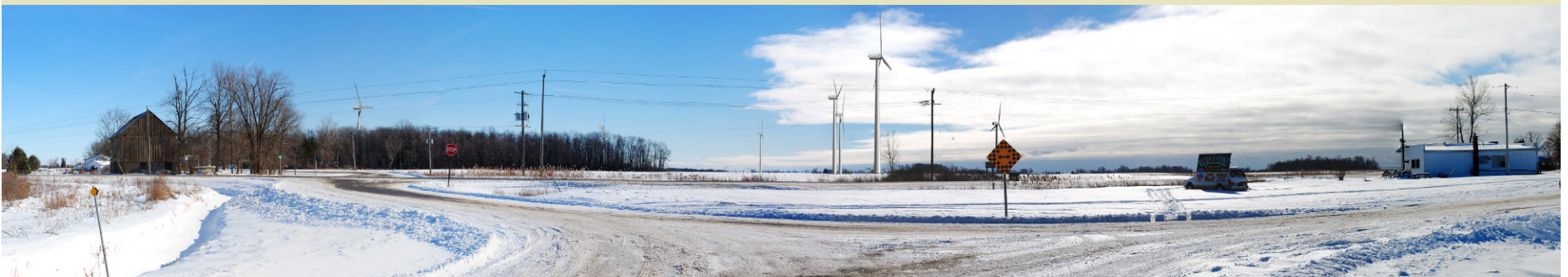


Quality Wind Project – Proposed Area

Growth contracted generation

Port Dover & Nanticoke Project Update

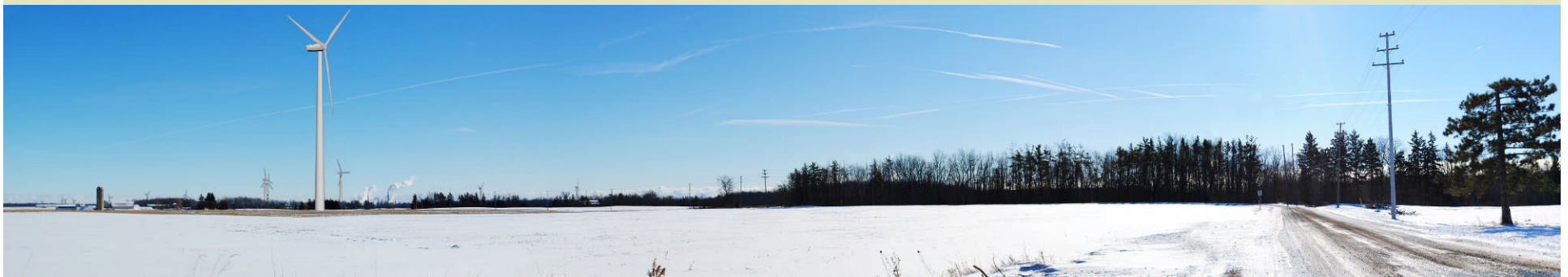
- 105 MW (58 wind turbines @ 1.8 MW each)
- Located in an area that covers the Ontario counties of Norfolk and Haldimand
- Rationalized land with other developers to improve effectiveness
- Turbine supply contract awarded to Vestas
- Completed revised layout and preliminary design
- Awaiting completion of Ontario's Renewable Energy Approval Process
- COD expected in Q4/12



Port Dover & Nanticoke – Proposed Area

Port Dover & Nanticoke Expectations

- Expected to cost up to \$340 million
- Awarded 20-year PPA from the OPA
 - Contracted price of power will be \$135/MWh, escalated by inflation (CPI) between contract signing date and COD
 - Thereafter 20% of contract price will be escalated annually by inflation (CPI) through-out the 20-year term
- Expected ~35% capacity factor (3 year wind study)
- Expected to be immediately accretive to earnings after project completion
- Meets financial target of 9% unlevered, after-tax IRR for contracted assets
- On track in terms of timing and in terms of budget expectations



Port Dover & Nanticoke – Proposed Area

Genesee Integrated Gasification Combined Cycle (IGCC) power plant

- IGCC is CPC's pre-combustion carbon capture and storage (CCS) project
- Front-end engineering and design (FEED) work conducted in conjunction with Canadian Clean Power Coalition, in partnership with Alberta Innovates (formerly Alberta Energy Research Institute) and Natural Resources Canada
- FEED work included an exhaustive evaluation of commercially available gasification technologies; including Siemens, Shell, GE and ConocoPhillips
- FEED confirmed that:
 - The technology is viable/proven with Alberta Sub-Bituminous Coals
 - Not price competitive relative to existing generation technologies
- Do not intend to develop an IGCC facility at this time
 - Power price in province currently is well below what is required for favourable economics
- CPC is comfortable with the technology and able to re-engage if/when project economics change

Project Pioneer

- Project Pioneer is one of the world's largest CCS projects at Keephills 3
- CPC partnered with TransAlta, Enbridge Inc. and Alstom Canada to develop front end engineering design for Project Pioneer
- TransAlta is leading the project development
 - Currently looking at options to reduce the capital cost and the parasitic load for the process
 - Project would require commercial guarantees to proceed
- FEED stage is expected to be completed in 2011, at which time the partners will decide whether to proceed with construction
- Project has signed a letter of intent with the Province of Alberta to receive funding from the province's \$2 billion CCS fund
- Government of Canada is also contributing toward the project through its Clean Energy Fund

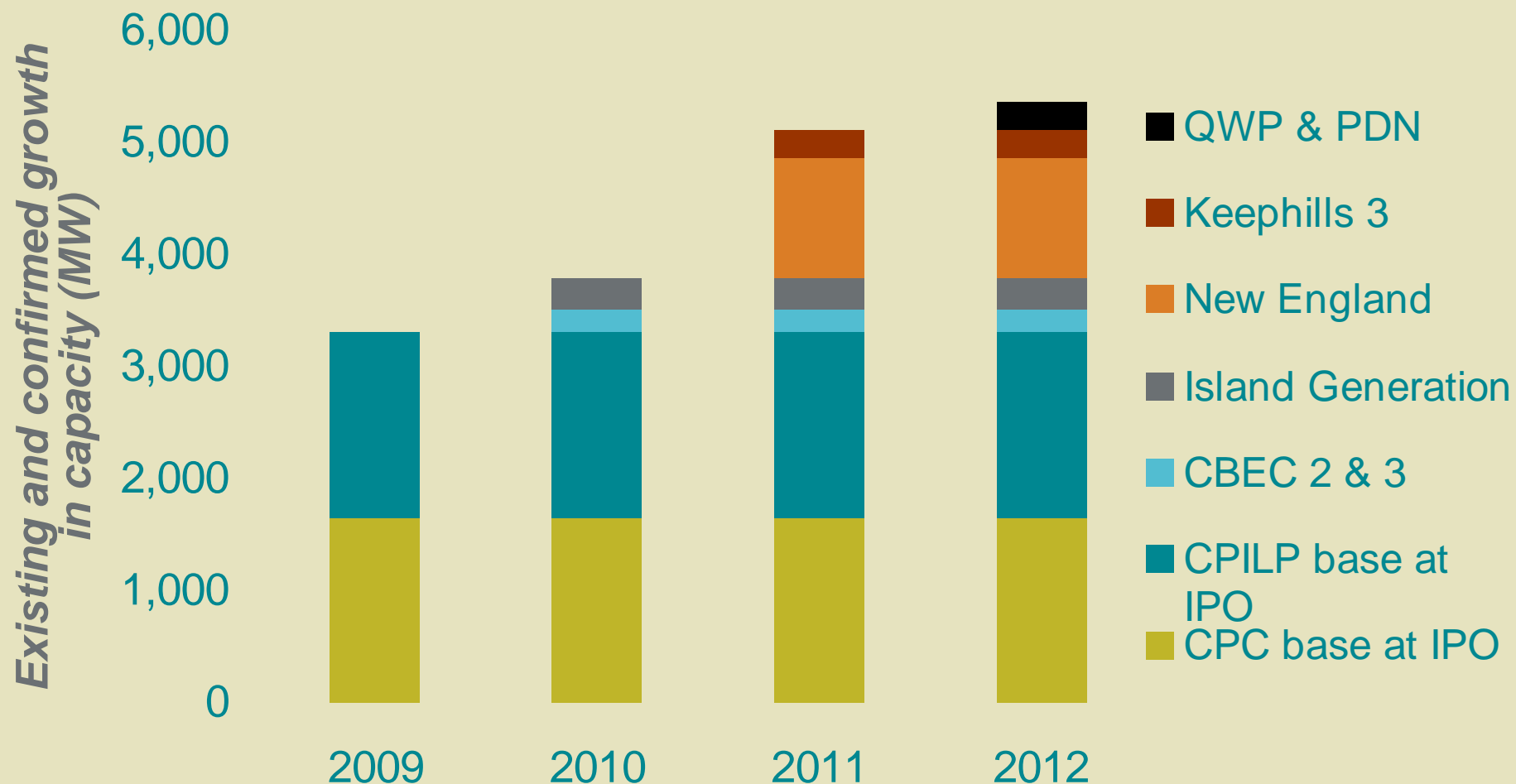
Alberta wind



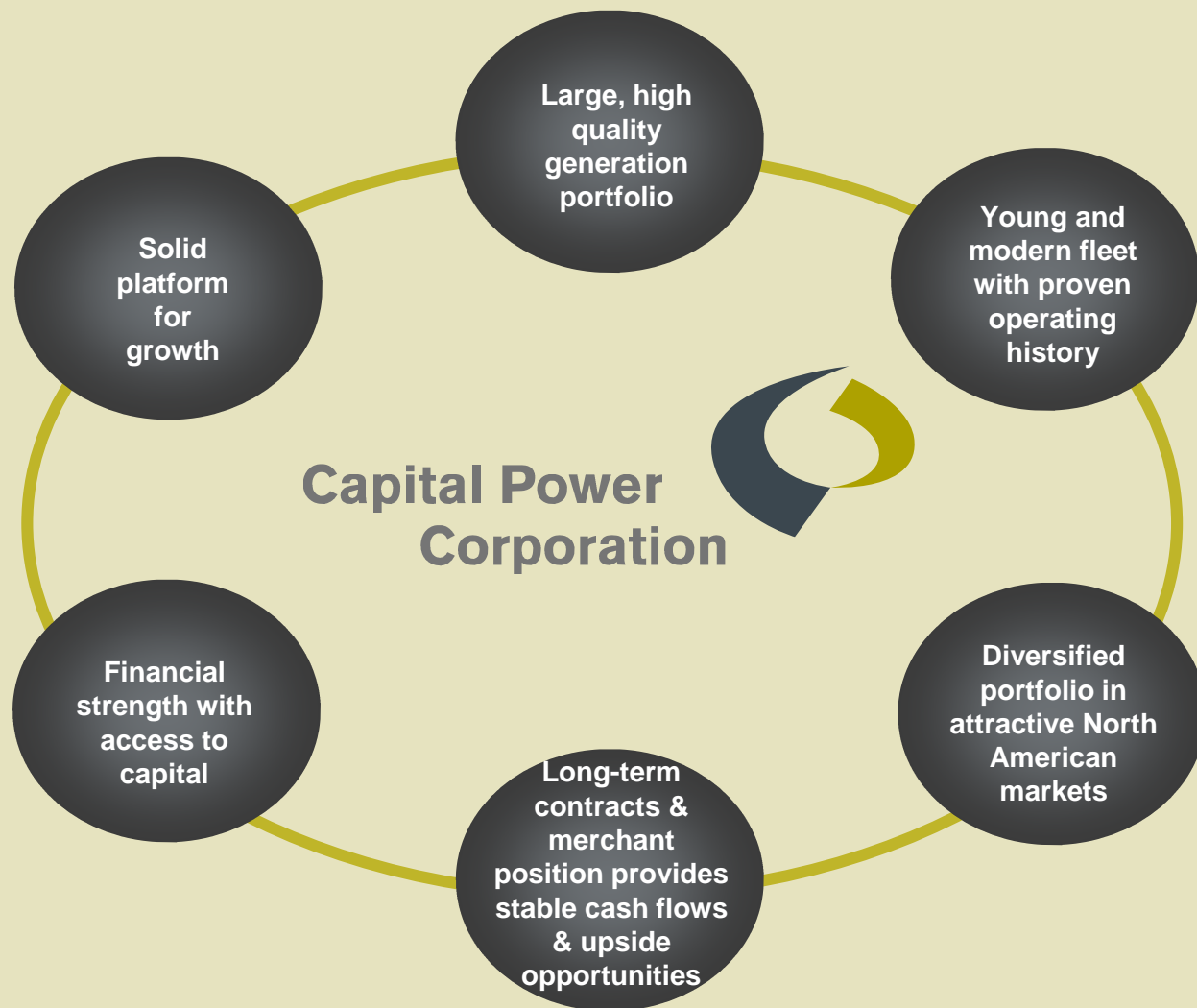
- Wind power in Alberta typically captures lower value than other forms of power due to
 - Its intermittent nature
 - Timing: tendency to come onto the grid at the same time, depressing prices
- AB wind needs power prices in excess of \$90/MWh
 - Despite falling turbine costs
 - Energy only market with no government assistance
- Out of province Renewable Energy Certificates (RECs) can make projects feasible
- Believe many proposed projects are unlikely to proceed under current market conditions, absent RECs
- Projects like Halkirk I can be competitive because of RECs

Accelerating momentum

2,039 MW added or placed into development since July 2009



Investment highlights summary



Forward-looking information

Certain information in this presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target”, and “expect” or similar words suggest future outcomes.

Forward-looking information includes, among other things, information relating to: (i) expectations that Capital Power Corporation together with its subsidiaries (the “Company”) will grow to 10,000 MW of assets by 2020; (ii) expectations regarding total shareholder return; (iii) expectations regarding the Company’s strategy, including the Company’s expectation to maintain an investment-grade credit rating and balanced contracted and merchant operating margins, to maintain ongoing access to cost-competitive capital, and to target large assets in select markets, with a technology focus and commitment to near-term and long-term earnings accretion; (iv) expected improvement in and reduction of power plants’ environment emission levels and ability to capture emissions from power plants in the future; (v) expectations regarding investment in new technology and funding of research; (vi) expectations regarding proposed new environmental regulations and the impact of current and new emissions regulation on the Company; (vii) expected timing of commercial operation, expected future generation capacity and project costs, and expected accretion of the Quality Wind and Port Dover & Nanticoke Wind projects; (viii) expectations regarding the carbon capture storage FEED study, timing of completion and timing of decision to proceed with the project; (ix) expectations regarding whether or not wind projects in Alberta are likely to proceed and the impact of renewable energy credits (“RECs”) thereon (including expectations regarding the impact of RECs on the proposed Halkirk I wind project); and (x) expectations regarding Capital Power’s development of an integrated gasification combined cycle (“IGCC”) power plant in the future.

These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements include, but are not limited to: (i) the operation of the Company’s facilities; (ii) power plant availability and dispatch, including Sundance which is subject to an acquired PPA; (iii) the Company’s financial position and credit facilities and sources of funding; (iv) the Company’s assessment of commodity and power markets, including power prices for 2011; (v) the Company’s assessment of the markets and regulatory environments in which it operates; (vi) weather; (vii) availability and cost of labour and management resources; (viii) performance of contractors and suppliers; (ix) availability and cost of financing; (x) foreign exchange rates; (xi) management’s analysis of applicable tax legislation; (xii) currently applicable and proposed tax laws will not change and will be implemented; (xiii) currently applicable and proposed environmental regulations, including the regulation of greenhouse gases; (xiv) performance of obligations by counterparties; (xv) renewal and terms of PPAs; (xvi) ability to successfully integrate and realize benefits of its acquisitions; (xvii) ability to implement strategic initiatives which will yield the expected benefits; (xviii) ability to obtain necessary regulatory approvals for development projects; (xix) the Company’s assessment of capital markets, common share ownership distribution, and ability to complete future share and debt offerings; (xx) locations of projects and the areas of which they will be developed, including the availability and use of certain optioned lands; (xxi) costs of construction and development; and (xxii) current risk management strategies including hedges will be in place.

Forward-looking information (cont'd)

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such risks and uncertainties include, but are not limited to, risks relating to: (i) operation of the Company's facilities; (ii) power plant availability and performance, including unplanned plant outages at facilities of other market participants; (iii) unanticipated maintenance and other expenditures; (iv) availability and price of energy commodities; (v) electricity load settlement; (vi) regulatory and government decisions including changes to environmental, financial reporting and tax legislation; (vii) weather and economic conditions; (viii) competitive pressures; (ix) construction; (x) availability and cost of financing; (xi) foreign exchange; (xii) availability and cost of labour, equipment and management resources; (xiii) performance of counterparties, partners, contractors and suppliers in fulfilling their obligations to the Company; (xiv) developments in the North American capital markets; (xv) compliance with financial covenants; (xvi) ability to successfully realize the benefits of acquisitions and investments; (xvii) the tax attributes of and implications of any acquisitions; (xviii) the outcome of CPILP's strategic review; and (xix) ability to secure new contracts and terms of such contracts. If any such risks actually occur, they could materially adversely affect the Company's business, financial condition or results of operations. In that case the trading price of the Company's common shares could decline, perhaps materially.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Forward-looking statements are provided for the purpose of providing information about management's current expectations, and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Non-IFRS financial measures

Capital Power uses (i) EBITDA; (ii) adjusted EBITA; and (iii) normalized earnings per share as financial performance measures. These terms are not defined financial measures according to IFRS and do not have standardized meanings prescribed by IFRS, and therefore may not be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Capital Power's results of operations from management's perspective. Reconciliations of EBITDA to net income and normalized earnings per share to earnings per share are contained in Capital Power's Management's Discussion and Analysis dated April 29, 2011 for the quarter ended March 31, 2011 which is available under Capital Power's profile on SEDAR at www.SEDAR.com.

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