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

- Canadian-based, growth-oriented independent power producer (IPP) operating in North America
- CPX included in the S&P/TSX Composite Index as of Jun 20/11
  - Market cap of ~$2.4B (fully diluted)\(^{(1)}\)
- Business model:

  - Commitment to deliver disciplined growth
  - Generate stable and growing cash flows
  - Commitment to maintain attractive dividend
  - Maintain continual access to cost competitive capital

**Vision**: to be one of North America’s most respected, reliable, and competitive generators

\(^{(1)}\) As of Jun 17/11
Large, high quality generation portfolio
Interests in 34 facilities with nearly 4,900 MW\(^{(1)}\)

Segmented by owned MW capacity\(^{(2)}\)

- Young and modern fleet with an average age of only 12.5 years\(^{(3)}\)
- Historical operating availability \(\geq 90\%\)
- 4 new projects (645 MW) scheduled to begin COD in 2011-12
  - Keephills 3 (247.5 MW) expected COD in Q3/11
  - 3 wind projects (397 MW) located in BC, AB, and ON with expected CODs in 2012

\(^{(1)}\) Capacity owned and /or operated; excludes Sundance PPA (371 MW)
\(^{(2)}\) Owned capacity as of May 31/11 including pro-rata 29% ownership of CPILP; excludes Sundance PPA (371 MW)
\(^{(3)}\) Average facility age weighted by owned capacity as of May 31/11
North American platform (1)

- Significant growth through acquisitions and development
- Maintain discipline on:
  - Geography
  - Size
  - Fuel type
  - Economics

(1) Assumes divestiture of 18 Capital Power Income L.P. facilities
Existing renewable generation

Kingsbridge I

- 40 MW wind project located near Goderich, Ontario
- Excellent operating history since COD in 2006
- High availability (>98%)
- 20 & 21-year PPAs with the Ontario Power Authority (OPA), expiring in 2026/27
Over the 4 years since COD, average capacity factor has exceeded 30% target and thus earned returns above expectations.
Renewable development - Quality Wind

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

- Expected cost of $455 million
- Awarded 25-year EPA from BC Hydro
- Expected ~35% capacity factor (5 year wind study)
- Successful relationships with First nations
- On track in terms of schedule and budget
Renewable development - PD&N

- 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 optimize layout
- Turbine supply contract awarded to Vestas
- Awaiting completion of Ontario’s Renewable Energy Approval Process
- COD expected in Q4/12
Port Dover & Nanticoke expectations

- Expected cost of $340 million
- Awarded 20-year PPA from the OPA
- Expected ~35% capacity factor (3-year wind study)
- On track in terms of schedule and budget
Renewable development - Halkirk Wind

- Announced 100% acquisition of the Halkirk Wind LP from Greengate Power Corporation (Greengate) in Jun/11
- Capital Power will build and own the 150 MW wind project located east of Red Deer, AB
- Total capital cost expected to be $357 million
- Wind projects in Alberta require a material source of revenue for environmental benefits
- Commercial operation expected in the last half of 2012

Halkirk is a hybrid opportunity that combines a base of contracted revenue from a creditworthy counterparty with the upside of Alberta’s merchant power market
Halkirk Wind expectations

- All approvals and permits in place from Alberta Utilities Commission and Alberta Environment
- 3-year wind study indicates a consistent and strong wind resource
- Project will have two revenue streams
  - Energy output from the facility will be sold into the AB spot market
  - 20-year fixed-price agreement with Pacific Gas & Electric Company for the purchase of Renewable Energy Certificates (RECs)
- Incorporates the same Vestas technology to be used at Quality Wind and Port Dover and Nanticoke projects
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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 in this presentation includes, among other things, information relating to: (i) expectations that the divestiture of Capital Power’s interest in CPILP (the “Sale”) and the acquisition by Capital Power of CPILP’s Roxboro and Southport plants in North Carolina (the “Acquisition”) will close in the fourth quarter of 2011; (ii) expectations regarding the consideration received by Capital Power pursuant to the Agreement; (iii) expectations that proceeds of the Sale will be used to fund CPC’s growth; (iv) expectations that the Southport and Roxboro power plants will be under long-term contract with Progress Energy to 2021; (v) expectations that the earnings from the Southport and Roxboro plants will be neutral to earnings per share over the first five years and meet CPC’s target return for contracted assets; (vi) expectations regarding the timing of commercial operation of the Halkirk Wind Project; (vii) expectations regarding the after-tax unlevered rate of return of the Halkirk Wind Project and its impact on earnings per share; (viii) expectations regarding the Halkirk Wind Project’s sources of revenue (including expectations regarding the sale of Renewable Energy Credits); (ix) expectations regarding the combined capacity of the Halkirk Wind Project, Quality Wind project and Port Dover & Nanticoke project; (x) expectations that the Company will meet its target of 10,000 MW of generation capacity by 2020; (xi) expectations that growth will continue to be accretive to earnings per share and shareholder value; (xii) expectations that future growth will come primarily from natural gas and contracted renewables; (xiii) expectations regarding the Company’s divestiture of its small hydro plants and the timing thereof; (xiv) expectations related to investment, or non-investment, by Capital Power in hydro, biomass or solar projects; (xv) expectations regarding the development of networked hubs in the Company’s target markets, and the acquisition or development of new assets in the U.S. North East; (xvi) expectations that Capital Power will pursue only contracted assets in the U.S. South West and Mid-Atlantic markets, in the near term, and in the Pacific Northwest and Saskatchewan; (xvii) expectations regarding the creation of additional capacity for merchant growth as a result of the development of contracted opportunities; (xviii) expectations that the Company’s strategy and updated development and acquisition criteria will result in an expanded scope of opportunities for contracted assets and optimize merchant asset growth.

These statements are based on certain assumptions and analyses made by Capital Power 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 Capital Power’s facilities; (ii) power plant availability and dispatch, including Sundance which is subject to an acquired PPA; (iii) Capital Power’s financial position and credit facilities and sources of funding; (iv) Capital Power’s assessment of commodity and power markets, including future power prices and reserve margins; (v) Capital Power’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 will be implemented; (xiv) counterparties will perform their obligations; (xv) renewal and terms of PPAs; (xvi) ability to successfully integrate and realize benefits of its acquisitions, including the
Forward-looking information (cont’d)

acquisition of the North Carolina assets and the Halkirk Wind Project; (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; (xxii) current risk management strategies including hedges will be in place; and (xxiii) the receipt of all required regulatory approvals and the satisfaction of all other conditions precedent to the closing of the Sale and Acquisition.

Whether actual results, performance or achievements will conform to Capital Power’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 Capital Power’s expectations. Such risks and uncertainties include, but are not limited to, risks and uncertainties relating to: (i) operation of Capital Power’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 Capital Power; (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) ability to secure new contracts and terms of such contracts; (xix) the failure to receive any required regulatory approvals in connection with the Sale or the Acquisition or the failure to satisfy any other condition to the Sale or the Acquisition; and (xx) the failure of Capital Power to realize expected benefits from the Sale and Acquisition. If any such risks actually occur, they could materially adversely affect Capital Power’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. Capital Power 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 Capital Power’s expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.
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