CAPITAL POWER ANALYST CONFERENCE CALL Q1 2012 REVIEW

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Forward-looking information
Cautionary statement

Certain information in this presentation and in responses to questions 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 are disclosed on page 17 of this presentation and in the Company's first quarter 2012 Management's Discussion and Analysis (MD&A) dated April 26, 2012 that has been filed on SEDAR (www.sedar.com).

Non-GAAP financial measures

The Company uses (i) earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange losses, and gains on acquisitions and disposals (EBITDA), (ii) funds from operations, (iii) funds from operations excluding non-controlling interests in CPILP, (iv) cash flow per share, (v) dividend coverage ratio, (vi) normalized earnings attributable to common shareholders, and (vii) normalized earnings per share as financial performance measures.

These terms are not defined financial measures according to 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 alternatives to gross income, net income, net income attributable to Shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company's results of operations from management's perspective.

Reconciliations of these Non-GAAP financial measures are contained in the Company's Management's Discussion and Analysis dated April 26, 2012 for the three months ended March 31, 2012 which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

Q1 Summary

Excellent operating performance with average plant availability of 97%

- High availability in the mid-upper 90% range across the fleet with the exception of Genesee 3 (G3)
- G3 came back on-line in mid-January after a two-month outage

Q1 financial results were in line with expectations, despite lower AB power prices

- Q1/12 Normalized EPS $0.46, up 35% from $0.34 in Q1/11
- Cash flow per share of $1.19 was up 14% from last year's $1.04

EPCOR completes secondary offering of CPC shares on Apr 5/12

- Sold ~9.8M common shares for proceeds of ~$230M to EPCOR
- Three secondary offerings have reduced EPCOR's economic interest from 72% at IPO to 29%
- EPCOR intends to sell its remaining interest in CPC as its demands for capital require and market conditions permit

Q1/12 Operating performance

Plant Availability		Q1/12	Q1/11
Alberta commercial plants	Genesee 3	84%	100%
	Keephills 3	95%	N/A
	Joffre	94%	99%
	Clover Bar Energy Centre	98%	54%
Alberta contracted plants	Genesee 1	97%	92%
	Genesee 2	100%	100%
Ontario and BC contracted plants	Kingsbridge 1	99%	98%
	Miller Creek	100%	78%
	Brown Lake	99%	100%
	Island Generation	100%	99%
North East US commercial plants	Bridgeport	96%	N/A
	Rumford	98%	N/A
	Tiverton	100%	N/A
North Carolina US contracted plants	Roxboro	96%	N/A
	Southport	96%	N/A
	Average	**97%**	**93%**

- Excellent fleet availability in Q1/12 with 97% average availability versus 93% in Q1/11
- Achieved high availability of mid-to-upper-90% range across the fleet, with the exception of G3
- G3 returned to service Jan 15/12

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Q1 Financial performance
2012 Outlook

Financial performance – Q1/12

$M, except per share amounts	Q1/12	Q1/11	% Change
Revenues and other income[1]	**$366**	$376	(2.7%)
EBITDA[1,2]	**$139**	$72	93%
Earnings per share	**$0.66**	$0.06	n.m.
Normalized earnings per share	**$0.46**	$0.34	35%
Funds from operations excluding non-controlling interests in CPILP	**$116**	$83	40%
Cash flow per share	**$1.19**	$1.04	14%

Financial results in line with expectations despite lower AB power prices

(1) Before unrealized fair value changes in derivative instruments, natural gas inventory held for trading, and foreign exchange and natural gas contracts. Excludes Capital Power Income L.P.
(2) Earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange losses and gains on acquisitions and disposals.

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AB commercial plants & portfolio optimization

EBITDA of $87M in Q1/12, up 129% over prior year

Increase primarily driven by two components:

- Strong portfolio optimization performance driven by strategies to sell forward length at prices higher than the spot market compared to weak performance in Q1/11
  - Q1/12 realized price for AB commercial portfolio was $83/MWh compared to $60/MWh average AB spot price
  - Lower 2012 spot prices reflected unusually warm weather across the region resulting in lower demand, healthy baseload supply, lower natural gas prices and high output from wind generation
- Keephills 3 (COD Sept/11) contributed a full quarter of production

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AB commercial portfolio positions

- Alberta portfolio hedged positions for AB baseload plants and Sundance PPA (% sold forward)

Apr-Dec 2012	2013	2014
Hedged positions (% hedged)		
73%	20%	5%
Average hedged prices		
Mid-$60/MWh	Mid-$60/MWh	Low-$60/MWh

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Financing update

- Launched Dividend Re-investment Plan (DRIP) in Jan/12
  - Initial participation rate was ~28% for the Company's Q1/12 dividend
  - Exceeds long-term participation rate expectation of 20-25%
- Filed a Canadian base shelf prospectus in Feb/12 to raise up to $2B collectively in common shares, preferred shares and subscription receipts exchangeable for common shares or other securities of the company
- Completed $250M, 7-year MTN in Feb/12 with a coupon rate of $4.85%
- For 2012, no primary common share equity issuance expected other than DRIP, absent an acquisition

2012 Outlook

- Normalized EPS is now expected to be slightly under the low end of the $1.50 - $1.70 target range based on revised forecast power prices and spark spreads
  - Revised Alberta forward power prices of $68/MWh compared to original forecast of $74/MWh
- New England facilities are now expected to contribute $41M of EBITDA in 2012, $10M lower than previous disclosure
  - Region experienced significantly lower power prices in Q1/12 due to warmer than expected temperatures which reduced power demand in the winter period
  - Lower EBITDA primarily attributable to decreased forward commodity prices resulting in decreased spark spreads and energy margins
  - Revised full year spark spreads have decreased by ~US$2/MWh compared to original forecasts
- FFO, cash flow per share, and dividend coverage ratio are expected to be near the low-end of their target ranges

2012 CORPORATE PRIORITIES

2012 Corporate priorities

Deliver strong operational performance from a young, well-maintained generation fleet

Operational targets

Performance measure	2012 target	Status
Plant availability average	≥ 91%	On track
Sustaining capex	≤ $108M	On track
• Plant maintenance	$80M	
• Genesee mine maintenance	$6M[1]	
• Other	$22M[2]	
Maintenance and operating expenses	$215M to $235M	On track

(1) Estimate of $6M excludes approximately $16M related to purchase of lands for ongoing expansion of the Genesee mine
(2) Includes Information technology and other maintenance

2012 Corporate priorities (cont'd)

Enhance value for shareholders by delivering accretive growth from current developments

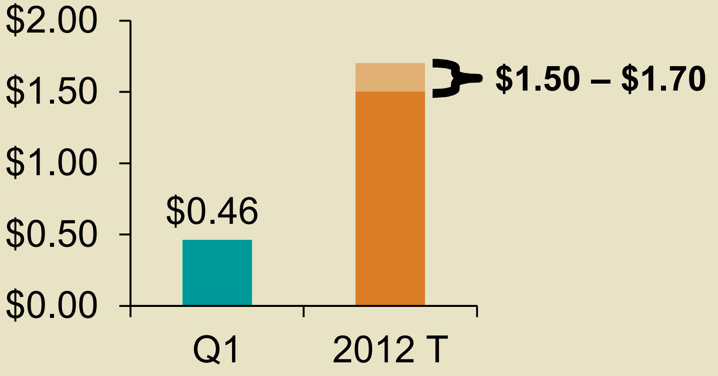
Development and construction targets

Performance measure	2012 target
Quality Wind and Halkirk wind projects	Continue on time and on budget with CODs expected in Q4/12
Port Dover & Nanticoke and K2 wind projects	Full notice to proceed in 2012 Status: for K2, full notice to proceed revised to 2013. Expected operation date of 2014 unchanged.

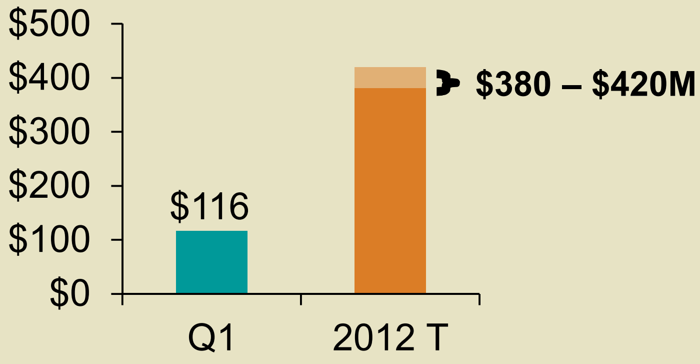
2012 Corporate priorities (cont'd)

Deliver on substantial growth in cash flow and normalized EPS

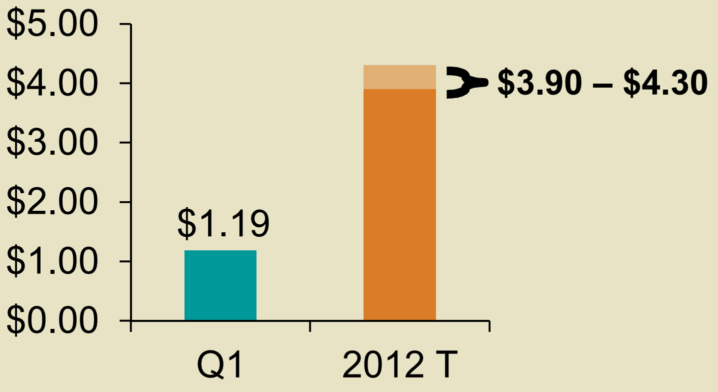
Normalized EPS



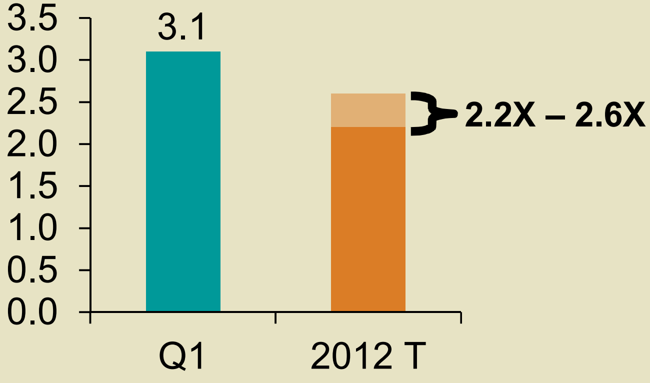
Funds from operations



Cash flow per share



Dividend coverage ratio



Normalized EPS expected to be slightly under the low end of target range should lower power prices continue throughout 2012

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QUESTIONS?

Forward-looking information

Forward-looking information or statements included in this presentation are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this presentation is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes.

Material forward-looking information in this presentation includes information with respect to: (i) expectations related to future earnings and funds from operations; (ii) expectations regarding the future pricing of electricity and market fundamentals in existing and target markets; (iii) expectations regarding fuel supply and pricing; (iv) expectations related to the Company's future cash requirements including interest and principal repayments, capital expenditures and dividends; (v) expectations for the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings; (vi) expectations regarding future growth and emerging opportunities in the Company's target markets including the focus on certain technologies; (vii) expectations regarding the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions; and (viii) expectations regarding plant availability and capital expenditures for maintenance.

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 relate to: (i) electricity and other energy prices, (ii) performance; (iii) business prospects and opportunities including expected growth and capital projects; (iv) status of and impact of policy, legislation and regulations; (v) effective tax rates; and (vi) other matters discussed under the Performance Overview and Outlook sections in Management's Discussion and Analysis.

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 material risks and uncertainties are: (i) power plant availability and performance including maintenance expenditures; (ii) changes in electricity prices in markets in which the Company operates; (iii) regulatory and political environments including changes to environmental, financial reporting and tax legislation, (iv) acquisitions and developments including timing and costs of regulatory approvals and construction; (v) ability to fund current and future capital and working capital needs; (vi) changes in energy commodity market prices and use of derivatives; (vii) changes in market prices and availability of fuel; and (viii) changes in general economic and competitive conditions. See Risks and Risk Management in Management's Discussion and Analysis for further discussion of these and other risks.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. 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.

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