CAPITAL POWER

ANALYST CONFERENCE CALL
Q3/12 REVIEW

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November 1, 2012

Halkirk, AB, Sep/12

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 19 of this presentation and in the Company's third quarter 2012 Management's Discussion and Analysis (MD&A) dated October 31, 2012 which has been filed on SEDAR (www.sedar.com).

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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 are therefore unlikely to 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 October 31, 2012 for the three months ended September 30, 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.

Q3/12 Summary

Financial performance was in line with our expectations

- Q3/12 normalized earnings of $0.55 per share increased 28% YOY
  - Average AB spot power price was $78/MWh in Q3/12, compared to $50/MWh in the first half of the year
  - Record EBITDA contribution from the AB commercial plants and portfolio optimization segment
- Cash flow per share of $1.31 in Q3/12 was up 8% YOY
- Strong operating performance with average plant availability of 97%

Sale of hydro facilities

- Divestiture of Company's two remaining hydro facilities (Brown Lake, Miller Creek) was finalized Oct 12/12 and a pre-tax gain of ~$11M will be recorded in Q4/12 results
- Decision to sell consistent with Company's technology focus on four fuel sources: natural gas, coal, wind and solar

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Quality Wind set to commence COD

- 142 MW facility in B.C. expected to begin commercial operation in early November
- Final costs are expected to be ~10% below the $455M budget
- Lower project costs primarily due to strong project management including the impact of up-front planning and project execution steps such as value engineering, constructability improvements and supply chain optimization

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Halkirk Wind project update

- 150 MW facility in AB expected to begin commercial operation on time in mid-Dec/12
- Project tracking slightly under $357M budget
- 100% of foundations installed
- Majority of turbine components fully erected on foundations
- Substation energized in Oct/12

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Q3/12 Operating performance

Strong performance across the fleet

Plant Availability		Q3/12	Q3/11
Alberta commercial plants	Genesee 3	100%	100%
	Keephills 3	100%	100%
	Joffre	98%	99%
	Clover Bar Energy Centre	97%	91%
Alberta contracted plants	Genesee 1	93%	100%
	Genesee 2	99%	100%
Ontario and BC contracted plants	Kingsbridge 1	99%	99%
	Island Generation	100%	100%
North East US commercial plants	Bridgeport	95%	96%
	Rumford	97%	95%
	Tiverton	99%	97%
North Carolina US contracted plants	Roxboro	97%	N/A
	Southport	100%	N/A
	Average	**97%**	**97%**

- Average availability of 97% in Q3/12 unchanged from Q3/11
- A trial R&D project at Genesee 1 resulted in an 8-day unplanned outage
- Q3 planned outage at Genesee 3, delayed until Q4/12

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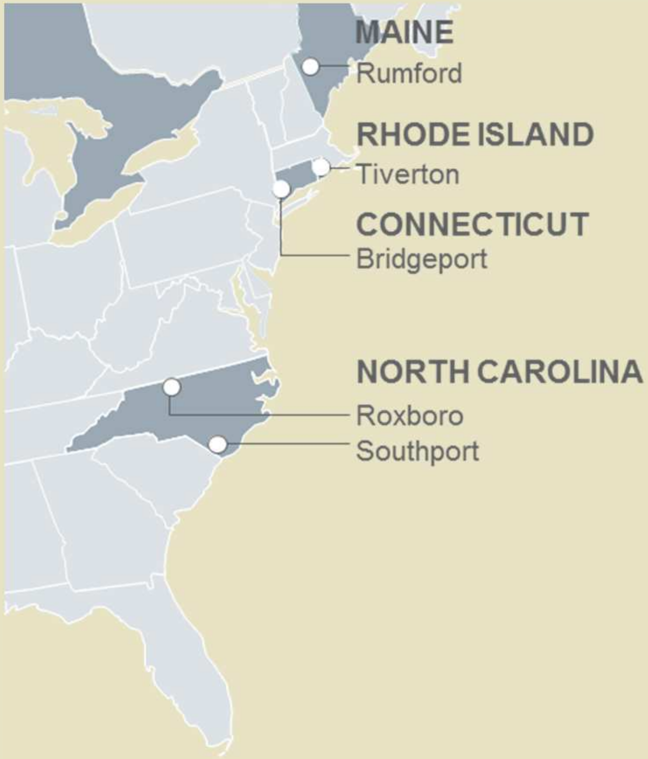
Hurricane Sandy

- Hurricane Sandy had no material impact to operations
- Bridgeport facility was pre-emptively taken offline as a safety precaution from Oct 29-30/12
- No other impact on our North East U.S. and North Carolina plants

Hurricane Sandy – Nasa/Getty Images



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Q3 FINANCIAL PERFORMANCE

2012 OUTLOOK

Financial performance – Q3/12

$M, except per share amounts	Q3/12	Q3/11	% Change
Revenues and other income(1)	**$376**	$322	17%
EBITDA(1,2)	**$145**	$119	22%
Earnings per share	**$0.55**	$0.29	90%
Normalized earnings per share	**$0.55**	$0.43	28%
Funds from operations excluding non-controlling interests in CPILP	**$128**	$116	10%
Cash flow per share	**$1.31**	$1.21	8.3%

Q3 financial performance was in line with expectations

(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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Financial performance – YTD 2012

$M, except per share amounts	YTD 2012	YTD 2011	% Change
Revenues and other income[1]	**$1,014**	$1,048	(3.2%)
EBITDA[1,2]	**$356**	$264	35%
Earnings (loss) per share	**$0.65**	($0.27)	-
Normalized earnings per share	**$1.06**	$0.87	22%
Funds from operations excluding non-controlling interests in CPILP	**$298**	$264	13%
Cash flow per share	**$3.05**	$3.01	1.3%

(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

Record EBITDA of $113M in Q3/12 was 57% higher YOY

- Q3 2012 position was largely sold forward at higher rates than 2011 and the Clover Bar peaking units were effectively dispatched to capture upside in pricing
- Reflects a full quarter of contributions from Keephills 3, which commenced commercial operations on Sep 1/11

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

Oct-Dec 2012	2013	2014
Hedged positions (% hedged)		
69%	32%	14%
Average hedged prices ($/MWh)		
Mid-$60	Mid-$60	Mid-$60

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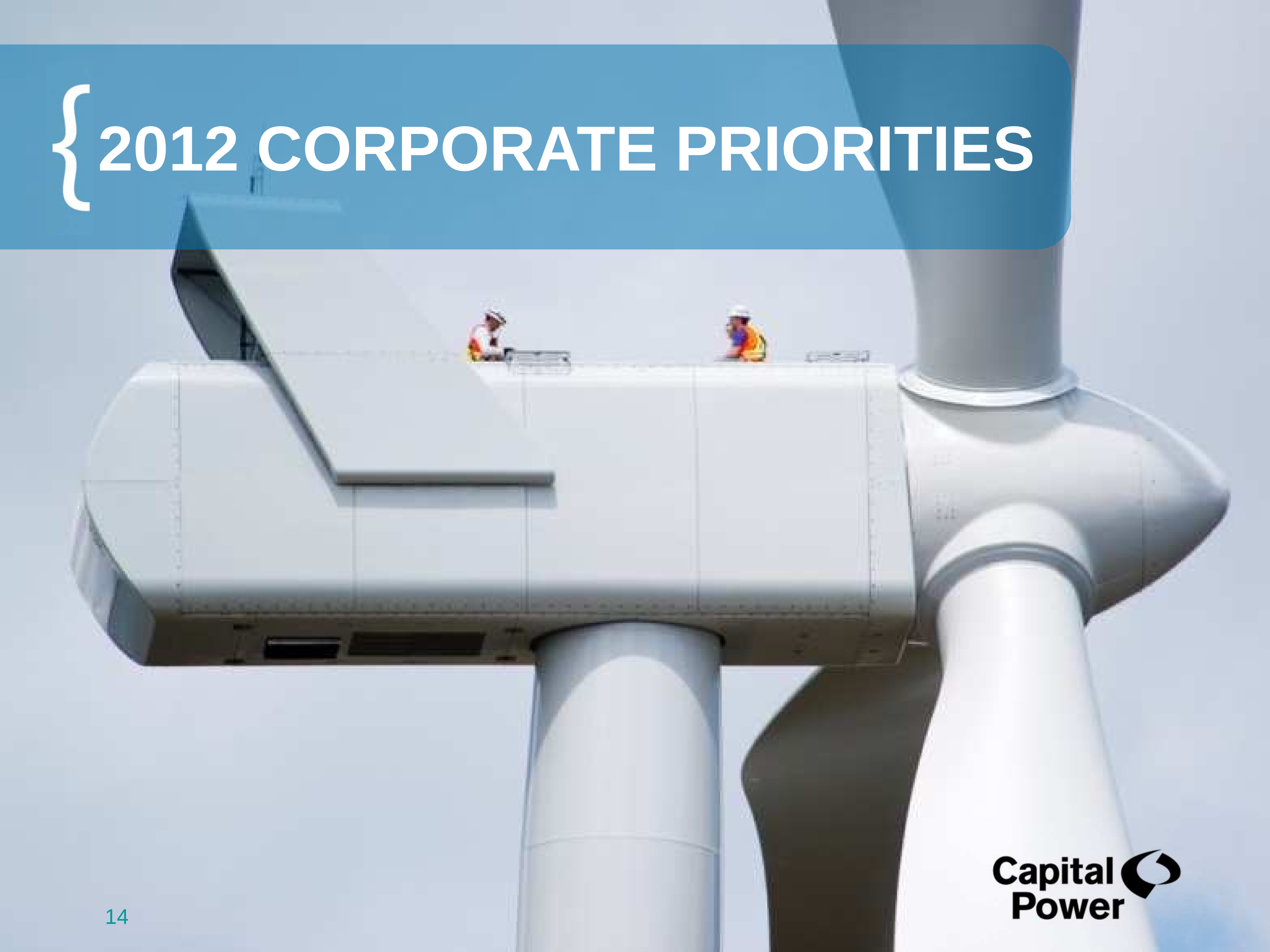
2012 Outlook

- If power prices in Q4/12 remain consistent with Q3/12 levels, Capital Power remains on track to meet its revised 2012 annual financial targets
  - Normalized earnings per share expected to be slightly under the low end of the target range of $1.50 to $1.70 per share
- 31% unhedged Alberta commercial position for balance of the year represents upside opportunity
- Quality Wind project to commence commercial operation in early November, with Halkirk Wind project following in mid-Dec/12
- Planned Genesee 3 outage currently taking place in Q4/12
  - Outage expected to last 36 days (Sept 30 – Nov 4)
  - Maintenance cost (CPC's portion) of ~$10M

2012 CORPORATE PRIORITIES



2012 Corporate priorities

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

Operational targets

Performance measure	2012 target	Q3 YTD Results	Status
Plant availability average	≥ 91%	**92%**	**On track**
Sustaining capex	≤ $108M	**$65M**	**On track**
• Plant maintenance	$80M		
• Genesee mine maintenance	$6M(1)		
• Other	$22M(2)		
Maintenance and operating expenses	$215M to $235M	**$153M**	**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

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2012 Corporate priorities (cont'd)

Enhance value for shareholders by delivering accretive growth from current developments

Development and construction targets

Performance measure	2012 target	Status
Quality Wind project	Continue on budget $455M and on time with CODs in Q4/12	**COD expected in early Nov/12; expected final costs ~10% under budget**
Halkirk Wind project	Continue on budget $357M and on time with CODs in Q4/12	**COD expected mid-Dec/12; costs tracking slightly under budget**
Port Dover & Nanticoke and K2 wind projects	Full notice to proceed in 2012	**PD&N limited notice to proceed received; construction has commenced** **Full notice to proceed on K2 revised to 2013. Expected 2014 COD unchanged**

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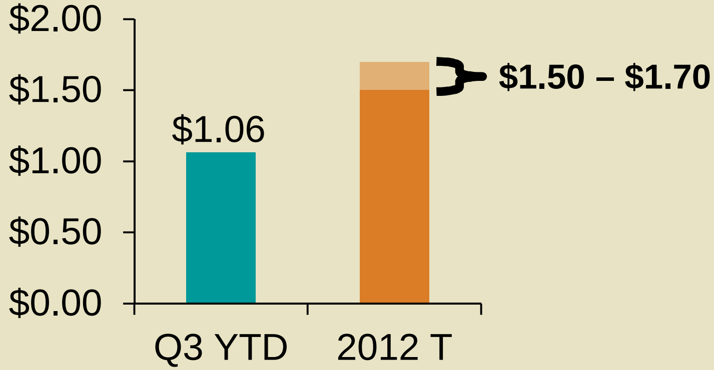
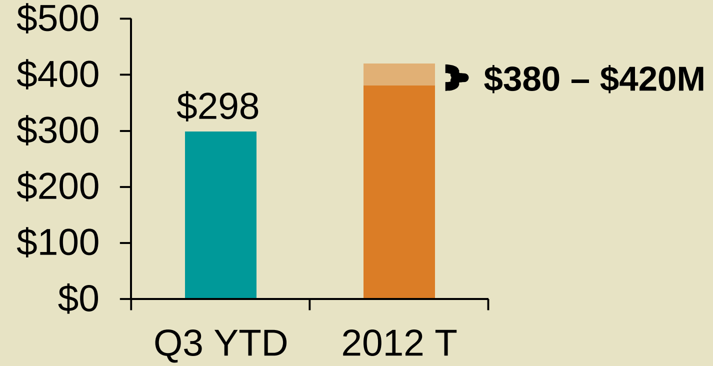
2012 Corporate priorities (cont'd)

Deliver on growth in cash flow and normalized EPS

Normalized EPS (NEPS)

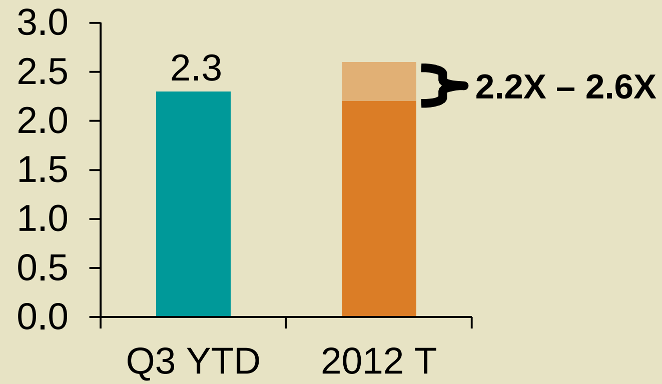


Funds from operations



Cash flow per share

Dividend coverage ratio



NEPS expected to be slightly under low end of target range should power prices in Q4 remain consistent with Q3 levels

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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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