CAPITAL POWER

INVESTOR MEETINGS

Brian Vaasjo, President & CEO
August, 2013

Capital Power overview

Growth-oriented independent power producer (IPP)

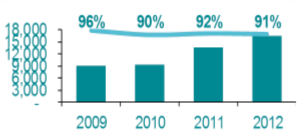
- TSX trading (CPX); ~$2.1B diluted market cap; ~150K avg daily trading
- IPO in mid-2009 from the spin-off of power generation assets from EPCOR
- Growth through acquisitions / robust development pipeline

Straight-forward business model

- Balanced portfolio of long-term contracted assets and merchant components
- Significant investments in Alberta power market; one of the most attractive markets in North America
- Continue to evaluate other strategic opportunities in target regions

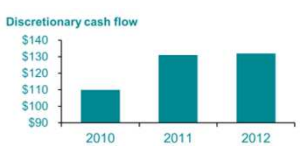
High-quality generation portfolio

- Young and modern fleet with generation capacity of more than 3,600 MW
- Current generation focused on three fuel types: natural gas, coal and wind



Proven operating and construction history

- 4-year average plant availability of ~92%; targeting 93% for 2013
- Significant experience in the construction and operation of both thermal (coal, natural gas) and renewable (wind) facilities



Financial strength and strong cash flow generation

- Investment grade credit rating from S&P and DBRS
- 10% CAGR of discretionary cash flow from 2010-2012
- Attractive dividend yield of ~6.0%

As of July 31/13

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North American footprint & target markets

Ownership interest in 15 facilities with more than 3,600 MW(1)

Alberta
- 1,943 MW of owned generation increases with the addition of Shepard and CPEC
- 243 MW of peaking generation

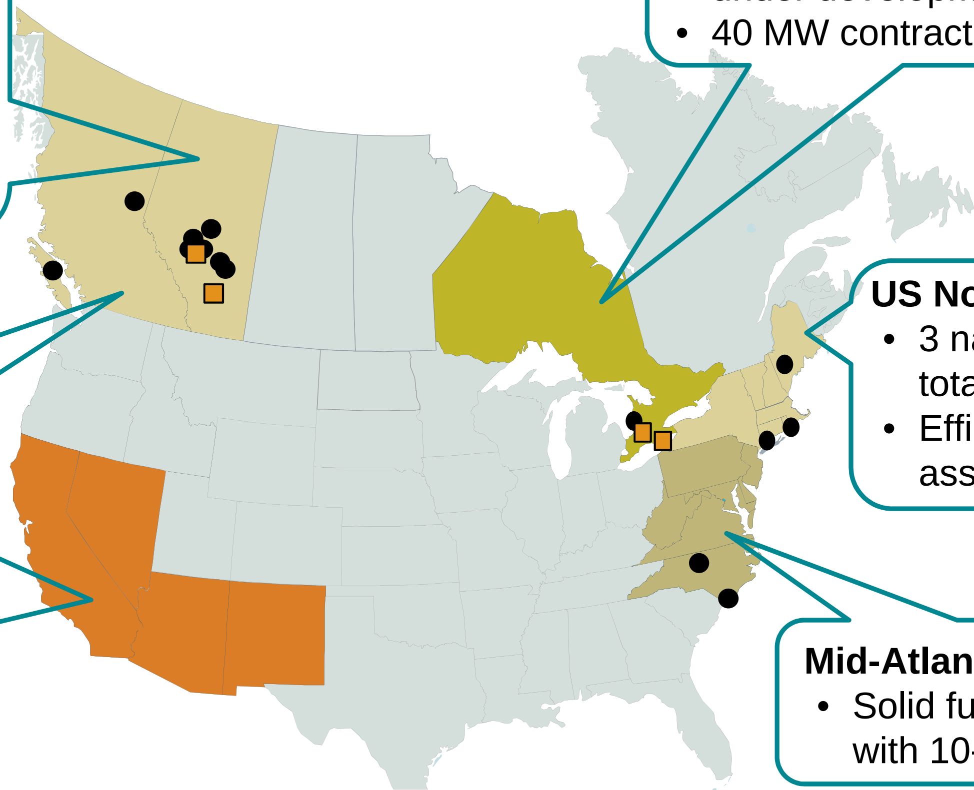
BC
- 417 MW contracted generation

US Southwest
- Target market for contracted assets
- Solar and natural gas peaking opportunities

Ontario
- Two contracted wind facilities under development/construction
- 40 MW contracted wind facility

US Northeast
- 3 natural gas plants totaling 1,089 MW
- Efficient, young assets

Mid-Atlantic US
- Solid fuel assets with 10-year PPAs



● Plants in operation ■ Plants under construction or development

(1) Based on MW owned capacity as of July 31/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).

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Contracted Ontario wind projects

Port Dover & Nanticoke

- 105 MW; near Port Dover & Nanticoke, Ontario
- Construction commenced Sep/12
- COD Q4/13

PD&N

Kingsbridge I

K2 Wind Ontario

- 270 MW (33% CPC ownership); in southern, Ontario
- Equal partnership with Samsung and Pattern Renewable Holdings
- REA received July/13
- Commercial operations targeted for 2015

Both projects have 20-year PPAs with Ontario Power Authority

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Shepard Energy Centre

Excellent fit with our strategy and will strengthen our position in Alberta

Provides stable cash flows

- 20-year tolling agreement on 50% of owned capacity with ENMAX
- Additional 25% contracted for 2015-17 which increases cash flow certainty during an expected period of low pool prices in Alberta
- Additional cash flow certainty created by hedging Capital Power's existing portfolio by 100 MW in 2013, 300 MW in 2014 and 100 MW in 2015

Located in target region

- Adds to existing Alberta portfolio which will facilitate additional economies of scale and trading synergies

Capital Power Energy Centre

Actively following process to build a large (up to 900 MW) gas-fired power generation facility in the 2018-2020 timeframe to meet AB's power needs

- Expect to finalize and announce a partnership agreement for the project in Q4/13 and file an application with Alberta Utilities Commission (AUC) before the end of 2013
- Approval from the AUC expected to be received in the first half of 2015
- Full notice to proceed expected anytime after AUC approval up to the end of Q2/16, depending on expected commercial operating date chosen
- Currently reviewing various gas turbine technologies to determine the best fit for the AB market
- To be built on an attractive site near our Genesee facility west of Edmonton, which has existing infrastructure, utilities and close proximity to gas pipelines and transmission

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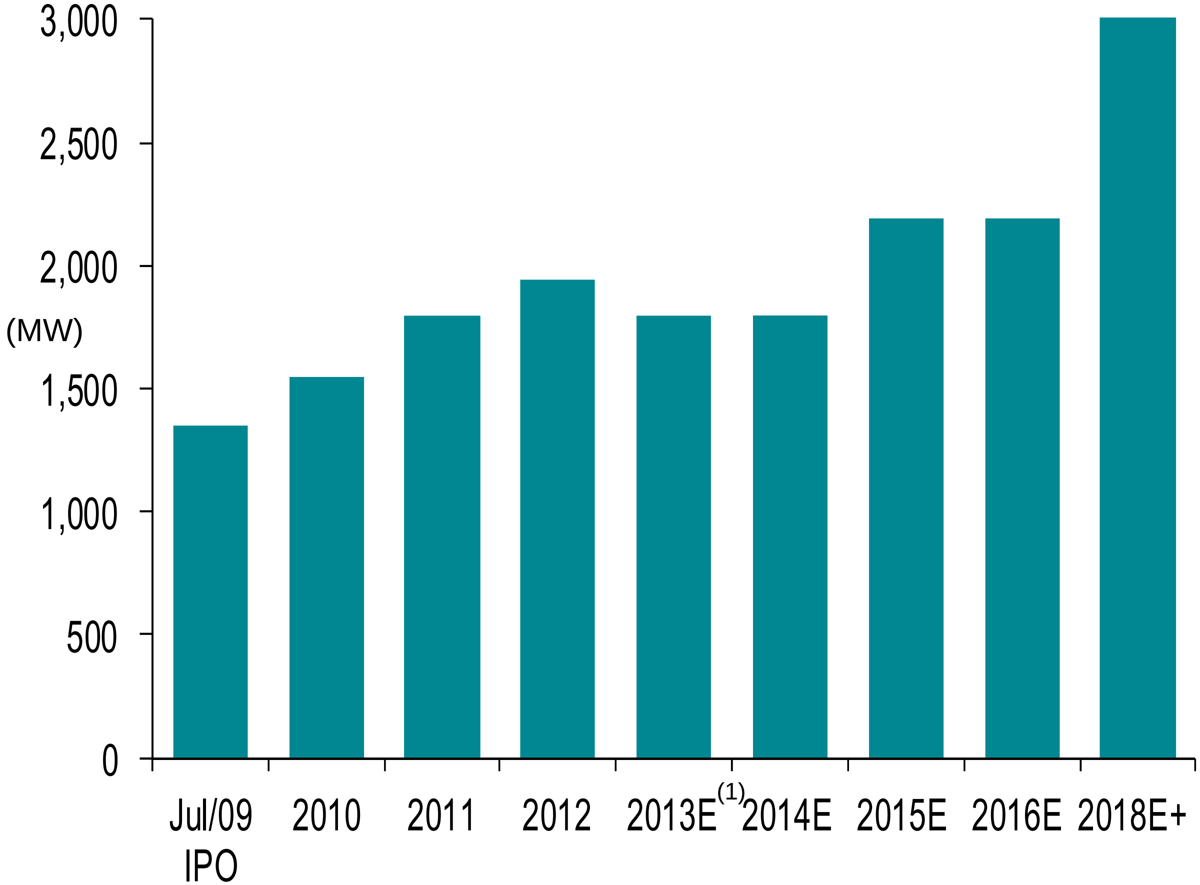
Continue to own the best fleet in the fastest growing power market in North America

Expansion plans with Shepard and CPEC will increase our Alberta portfolio



- Best peaking responsiveness
- Best coal reliability
- Lowest environmental impact and lowest cost
- Most competitive natural gas combined cycle

(1) Assumes base case sale of Halkirk Wind (150 MW)

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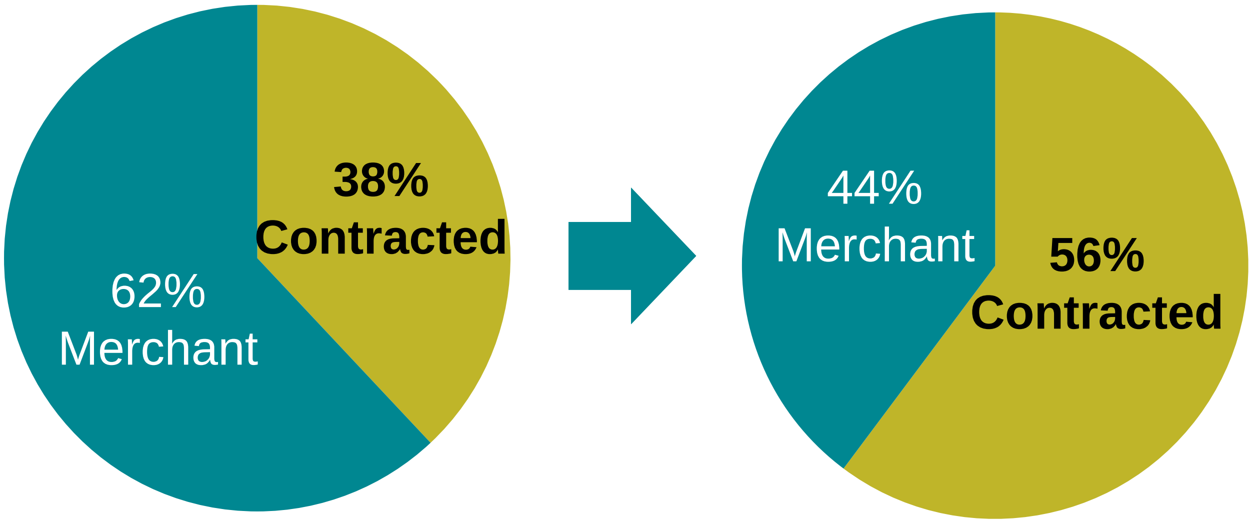
Balanced portfolio of merchant and contracted cash flows

2012

- 38% of EBITDA[2] (plant results) from contracted

2015 Forecast[1]

- 56% of EBITDA (plant results) from contracted



Long-term contracts help stabilize cash flows, support dividend and improve access to capital

(1) Based on existing plants plus committed development projects as of July 2013.
(2) EBITDA is a Non-GAAP financial measure.

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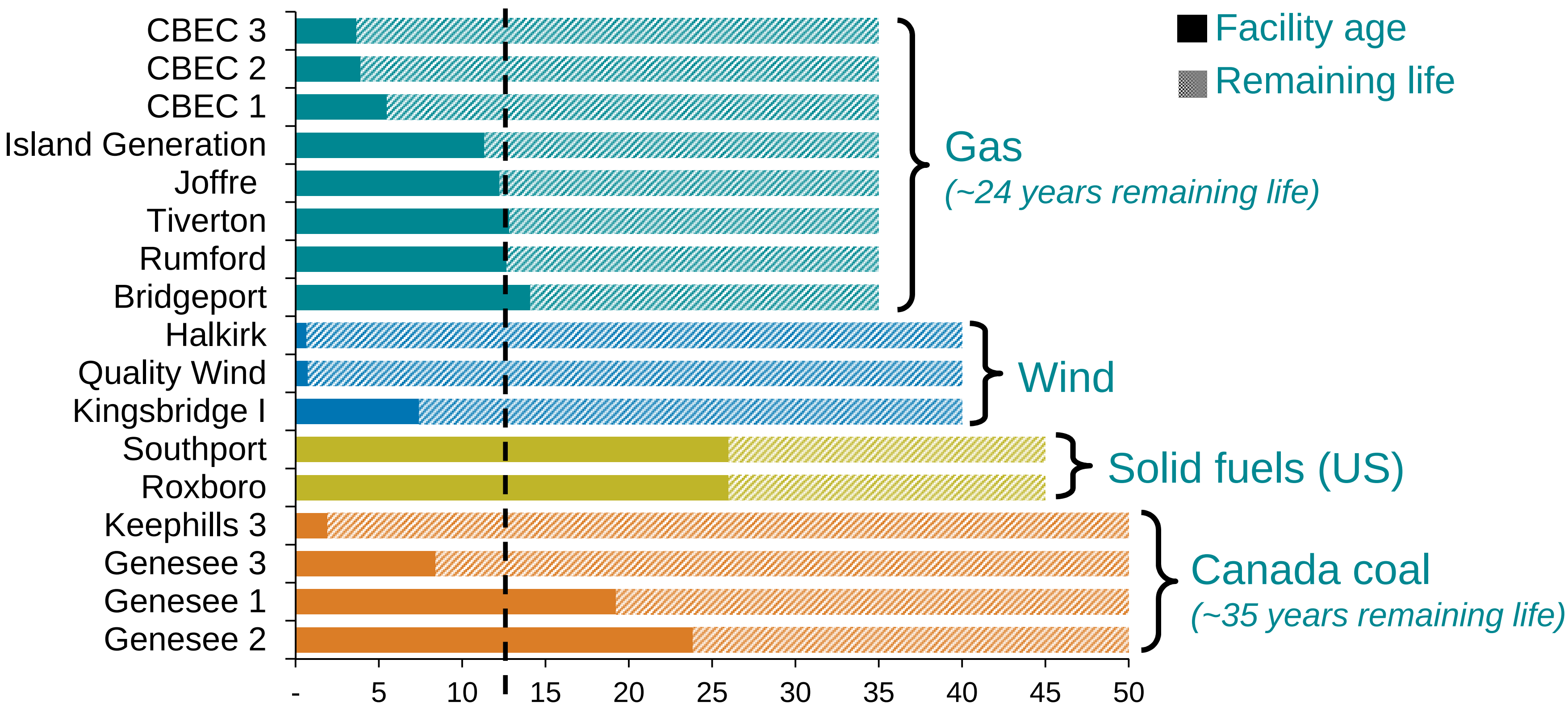
Modern fleet

Helps keep availability high and reduces risk of unplanned outages

- Average weighted facility age of the current fleet is 12.7 years(1)
- 2 new wind projects (195 MW) begin commercial operations in 2013 – 2015
- Shepard Energy Centre expected COD Q1/15



(1) Average facility age and remaining life weighted by owned capacity as of Aug 1/13.

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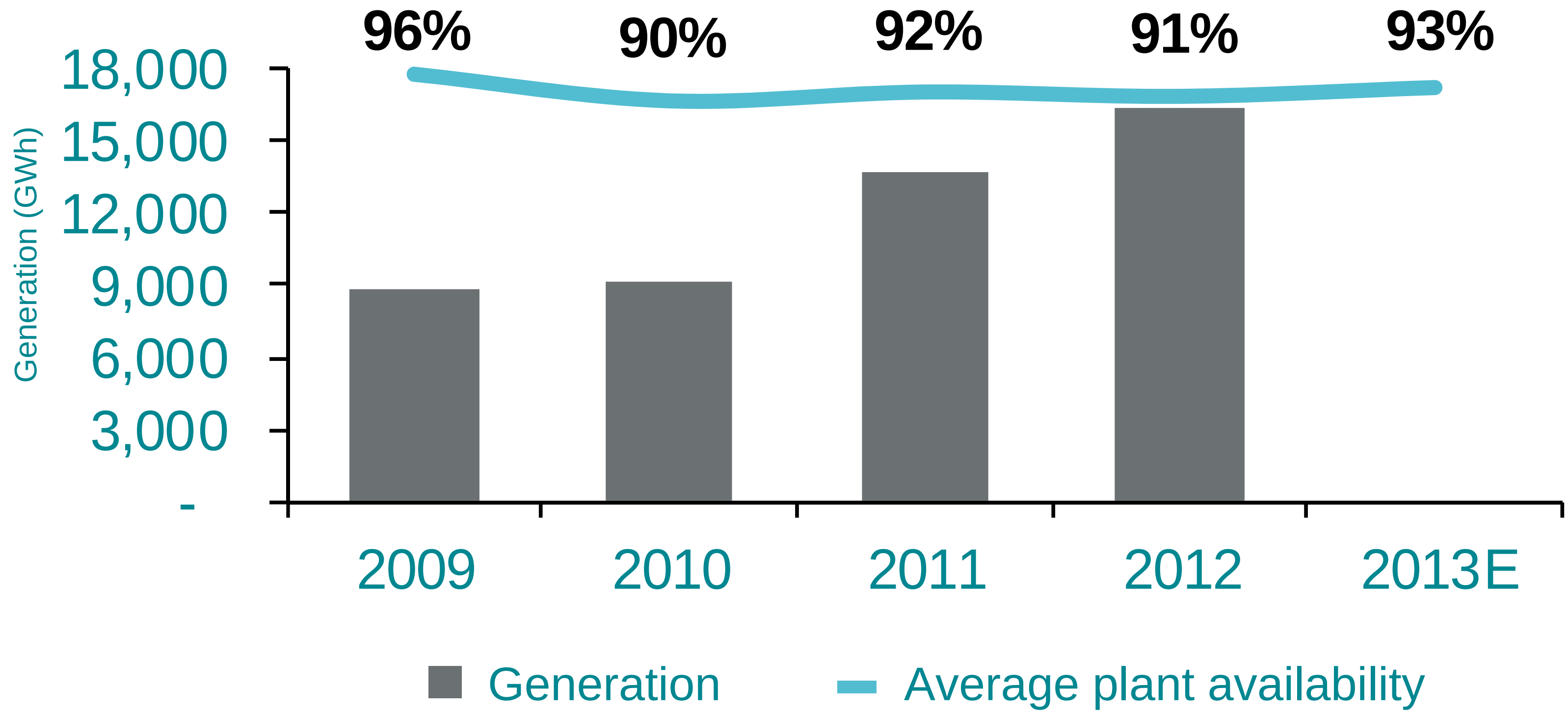
Proven operating excellence

Operating availability consistently 90%+ over a growing fleet and production volumes

Operating performance



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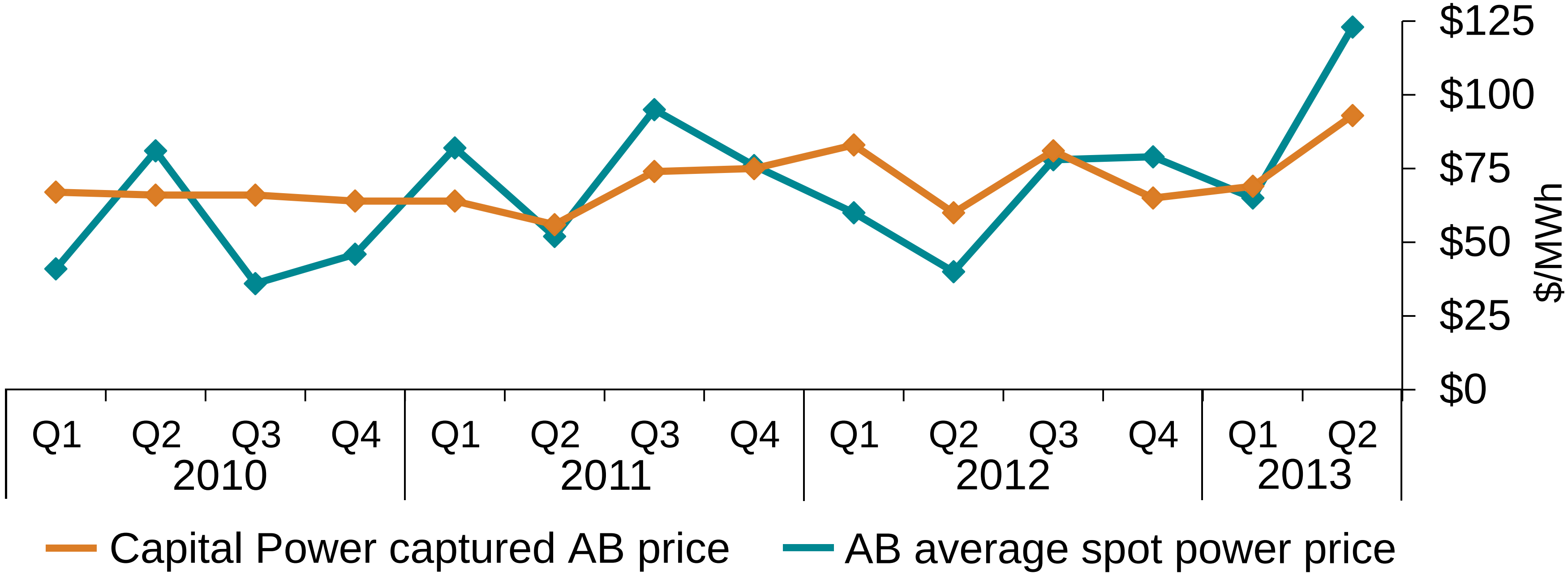
Capturing upside from AB power prices

- Hedging positions based primarily on generation from Genesee 3 and Keephills 3 baseload coal plants and output from the Sundance PPA
- Actively trading throughout various time periods to minimize portfolio risks, create incremental value, and reduce volatility

CPX's average realized power price has exceeded spot power prices by ~13% on average since Dec 31/09



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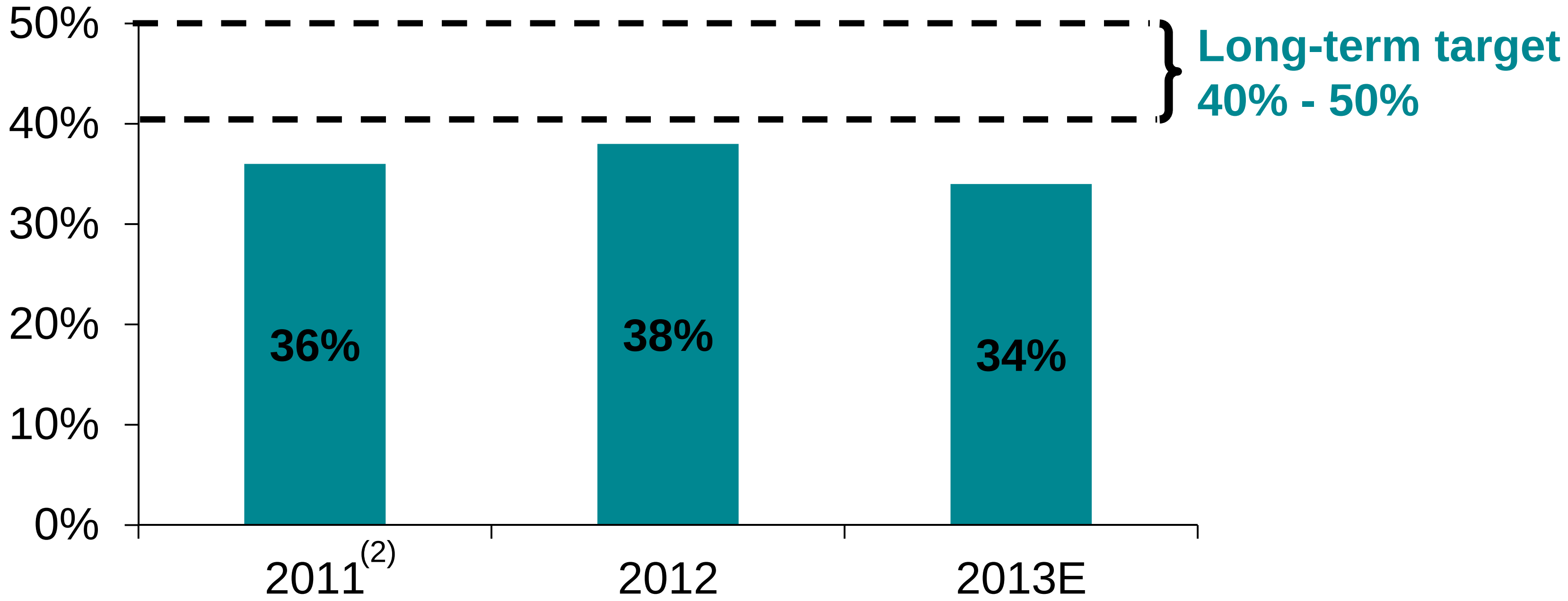
Financial strength and access to capital

***Strong balance sheet*[1]**

- Assets of ~$5.1B with ~$1.6B of third party debt
- $1.2B in credit facilities, of which ~$0.9B available
  - In 2012 added $300M accordion feature

Debt to Total Capitalization



(1) Values as of Dec 31, 2012
(2) CPILP accounted for on an equity basis.

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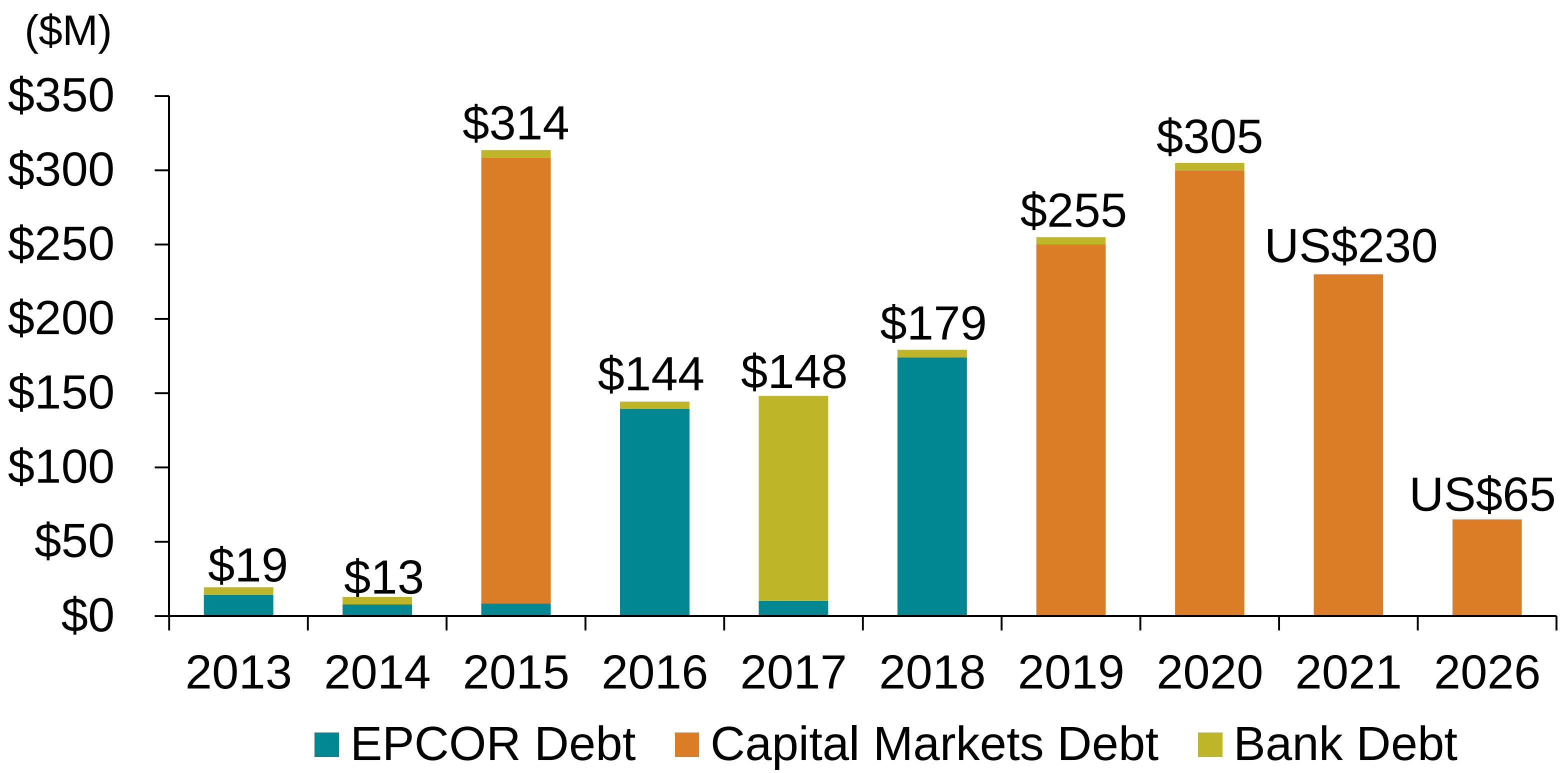
Debt maturity schedule[1]

Well spread-out debt maturities are supported by long asset lives

- Term on credit facilities extended to 5 years

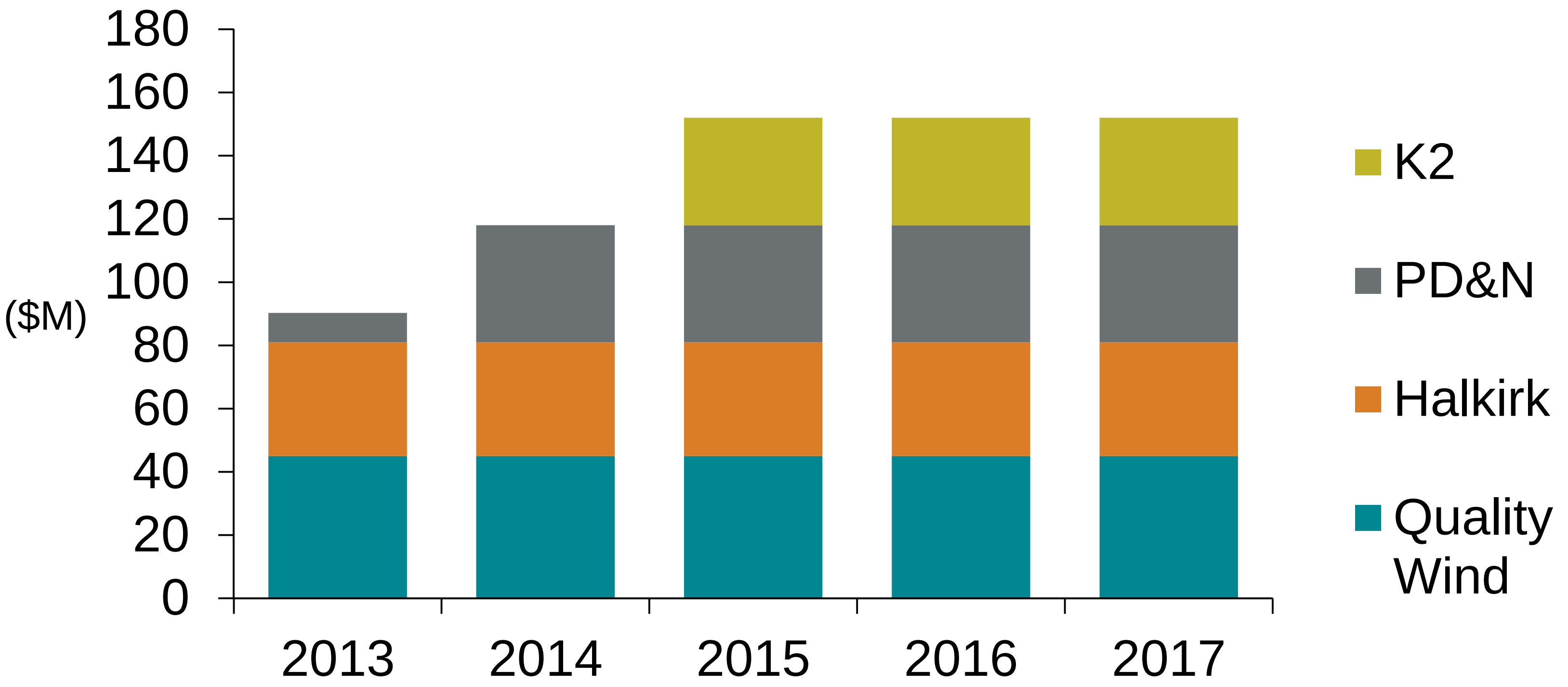


(1) As of Dec 31, 2012.

Strong financial performance of 4 wind projects

- Wind projects are forecast to provide $150M - $155M of annual cash flow before financing
- Strong accretion of ~$0.90 - $0.95 in cash flow per share and ~$0.35 - $0.40 in EPS for all 4 wind projects

Forecast cash flow from wind projects



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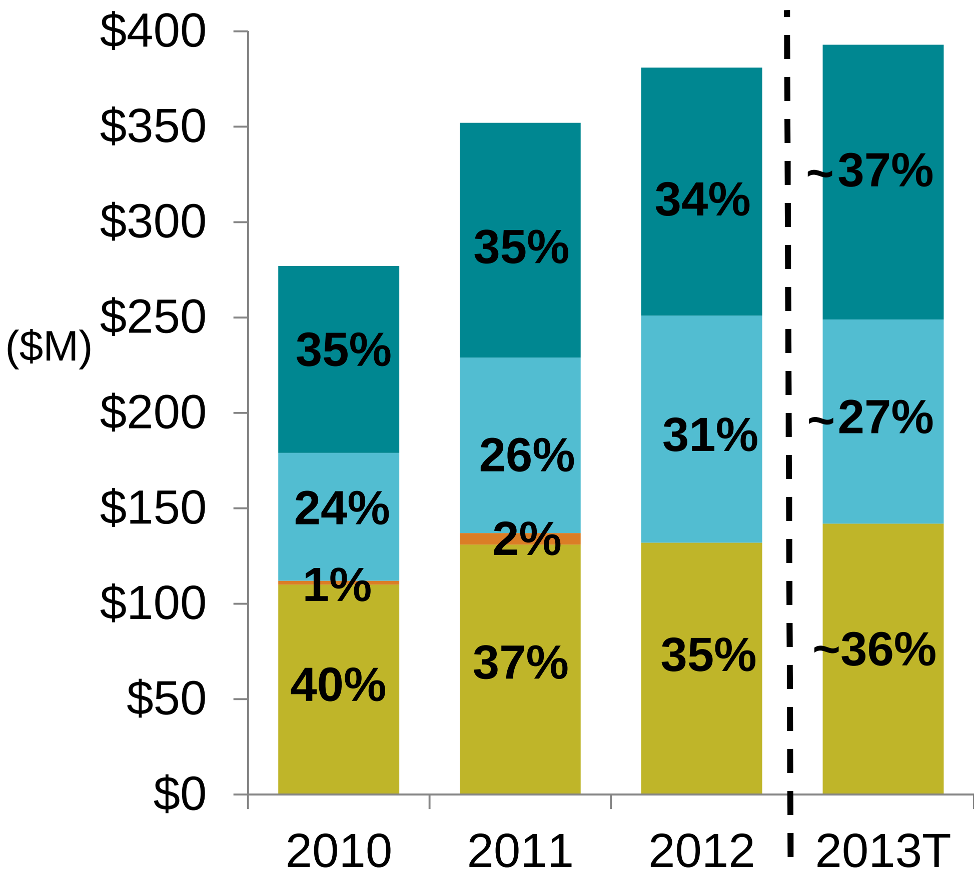
Continued strong cash flow generation

Funds From Operations (FFO)



- Expecting in excess of $385M-$415M in FFO in 2013
- 35-40% of 2010-12 FFO is discretionary cash flow(1)
- Additional cash flows in 2013 from:
  - Full year operations from Halkirk and Quality Wind
  - PD&N expected COD in Q4/13

(1) Discretionary cash flow is a non-GAAP financial measure.

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Development projects - capex

($M)	Prior to 2013	2013E	Project Total
Port Dover Nanticoke	$68	$272	**$340**
K2 Wind Ontario	$3	$30	**$291**(1)
Shepard Centre	$50	$335	**$855**

Continue strong execution of capex program

Port Dover & Nanticoke

Shepard Energy Centre

(1) Represents Capital Power's portion of total project including project financing.

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Cash flow and financing outlook

No primary common share equity issuance expected in 2013 other than DRIP, absent an acquisition

Sources of cash flow ($M)	2013E
Funds from operations	$400[1]
Preferred share offering (Closed Mar/13)	$200
Expected proceeds from sale of assets	~$350[2]
Uses of cash flow	
Dividends (net of DRIP) & distributions to NCI	$100
Dividends (Preferred shares)	$20
Development projects	$635
Sustaining capex	$100
Change in cash	**~$95**

- In 2014, expect Shepard construction costs to be financed through cash from operations and modest debt, and equity if required, which may be raised through dividend reinvestment programs

(1) Represents mid-point of guidance range.
(2) Assumes base case sale of Halkirk wind

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Financial performance – Q2 YTD

$M, except per share amounts	YTD 2013	YTD 2012	% Change
Revenues and other income	**$686**	$637	7.7%
Adjusted EBITDA(1)	**$231**	$212	9.0%
Basic earnings per share	**$0.64**	$0.08	-
Normalized earnings per share	**$0.60**	$0.50	20%
Funds from operations	**$188**	$170	11%
Cash flow per share	**$1.90**	$1.74	9.2%

Positive Q2 year-to-date results ahead of expectations

(1) Before unrealized changes in fair value of energy derivative instruments and Atlantic Power shares for Q2/13 YTD and Q2/12 YTD of $8M and $5M, respectively.

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AB commercial portfolio positions

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

July–Dec, 2013	2014	2015
Percentage sold forward		
63%	87%	65%
Average contracted prices[1] ($/MWh)		
Low-$60	High-$50	Mid-$50

- Sensitivity analysis to +/- $1/MWh change in Alberta power prices
  - 2013: +/- $2M to adjusted EBITDA

(1) The forecast average contracted prices may differ significantly from the future average realized prices as the hedged and unhedged positions have a varying mix of differently priced blocks of power. This impact is accentuated in 2014 which includes one contract-for-differences for 300 MW for the full year that is sold forward for peak periods only.

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Financial outlook

Company expects to exceed 2013 financial guidance

- Expect full year 2013 financial results to exceed our annual guidance of $1.20 to $1.40 for normalized earnings per share and $3.80 to $4.20 for cash flow per share
  - Based on our positive YTD results and current AB forward prices of ~$75/MWh for the balance of the year
- Continue to evaluate options to finance our most strategic growth projects
  - Remain committed to retaining our investment grade credit rating and minimizing dilution to existing shareholders; therefore, continue to look at monetization of subset of assets
  - Possible alternatives include the sale of a partial or whole interest in bundled wind assets, the Halkirk wind facility, the North East U.S. assets, or other combinations of assets
  - For North East U.S. assets, final binding bids are due in early August. Timing of any sale announcement is uncertain, but a sale announcement, if any, is expected no sooner than mid-August 2013

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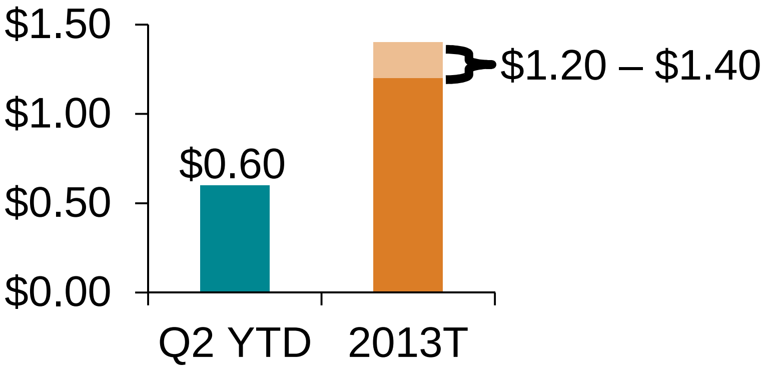
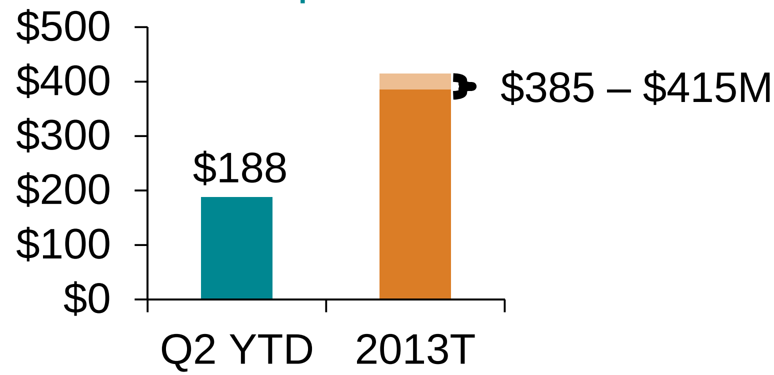
Corporate priorities[1]

Financial targets

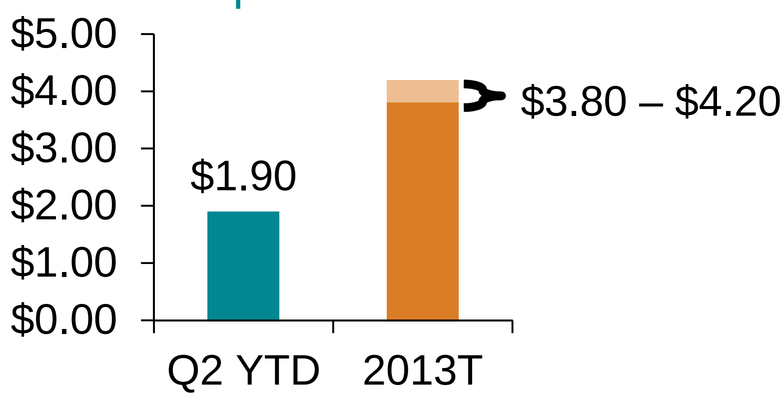
Normalized EPS



Funds from operations



Cash flow per share



Expect full year 2013 financial results to exceed our annual guidance of $1.20 to $1.40 for NEPS and $3.80 to $4.20 for cash flow per share

(1) All financial measures are non-GAAP measures.

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Alberta power market

- Alberta (AB) has a competitive wholesale energy and ancillary services market operated by the Alberta Electric System Operator (AESO); market has an installed generation capacity of ~13,000 MW
- No capacity market – power generators must recover all costs through revenue earned in AB's energy and ancillary services market
- Entire province is a single zone where power prices are determined by the bid price of the incremental power generator (i.e. one with the highest cost of generation) that is dispatched to balance demand and supply in real-time
- AB's economy expected to grow above national average rate due to the impact of continued oil sands development activities that is a fundamental driver to increasing power demand
- AESO forecasts long-term energy and demand to grow at a rate of 3.3% annually until 2022(1)
- AB Government announced in Jan/13, that it will continue with the Regulated Rate Option (RRO) and extend the procurement window to 120 days

(1) AESO 2012 Long-term Transmission Plan, http://www.aeso.ca/downloads/AESO_2012_LTP_Sections_1.0_to_5.0.pdf

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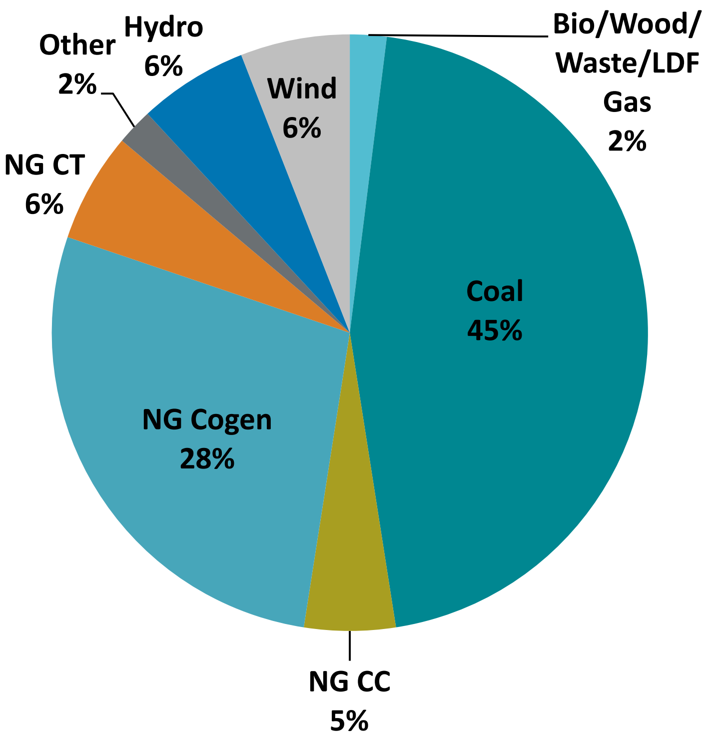
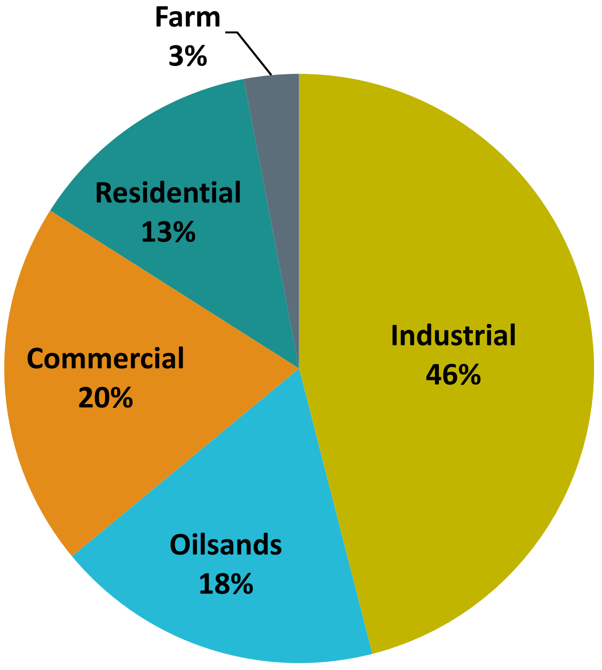
Alberta generation and load mix

2011 AB fuel mix by capacity (MW)



Source: AESO 2012 Long Term Outlook

Estimated 2011 customer electricity usage including oil sands



Source: AESO, Alberta Utilities Commission

- Residential 66% on RRO
- Commercial 50% on RRO
- Farm 74% on RRO

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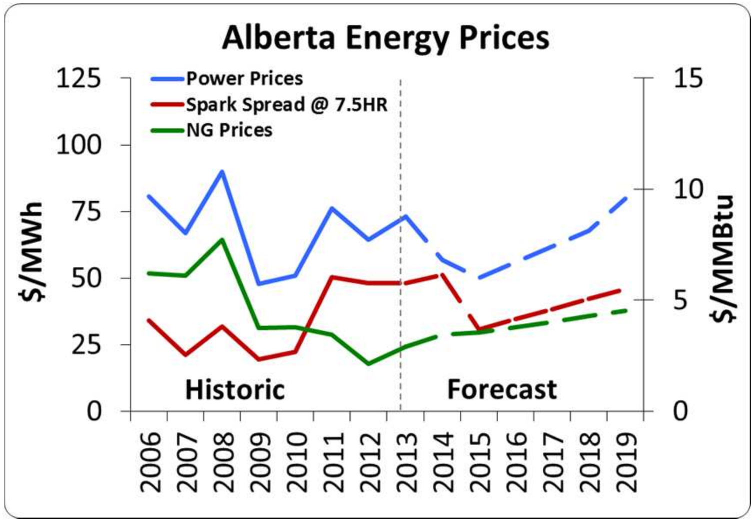
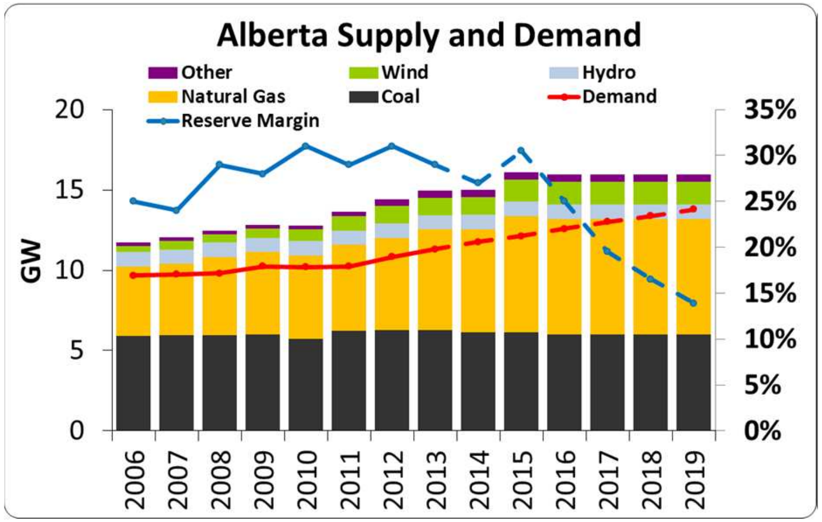
Alberta market

AB market design expected to continue to provide timely pricing signals for the addition of new supply

Forecast spark spreads above historical average[(1)]



Projected reserve margin signals the need for new capacity in the 2017-2020 timeframe[(1)]



"Alberta's future power demand outlook is also fairly robust, especially compared with that of most other jurisdictions in North America, because of a strong provincial economy; a growing population from inward migration; and anticipated high growth in the energy sector, especially for shale gas, tight oil, and oil sands production."

– (IHS CERA, Sept/12)

(1) Source: AESO and CPC Estimates - July 2013

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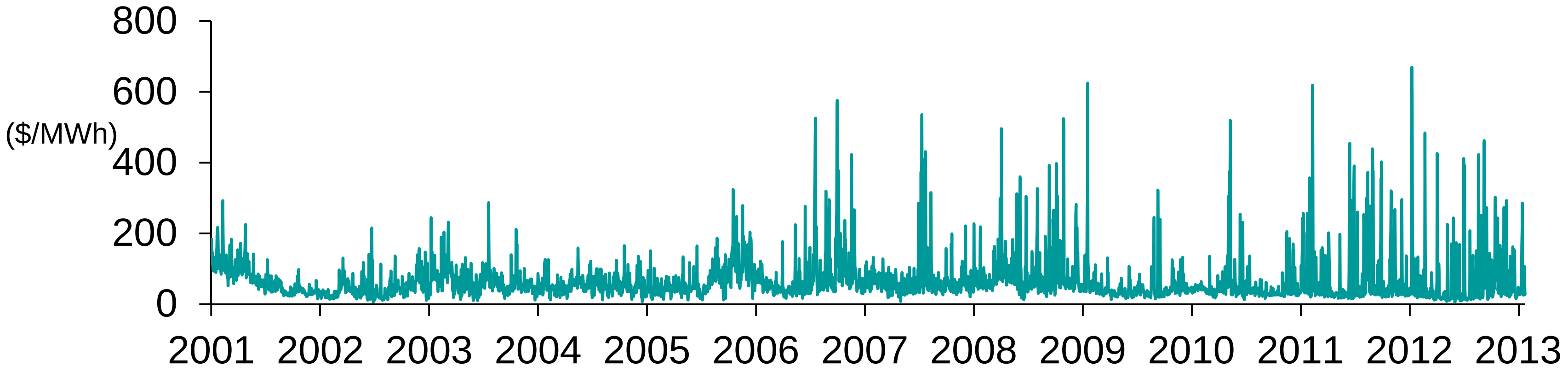
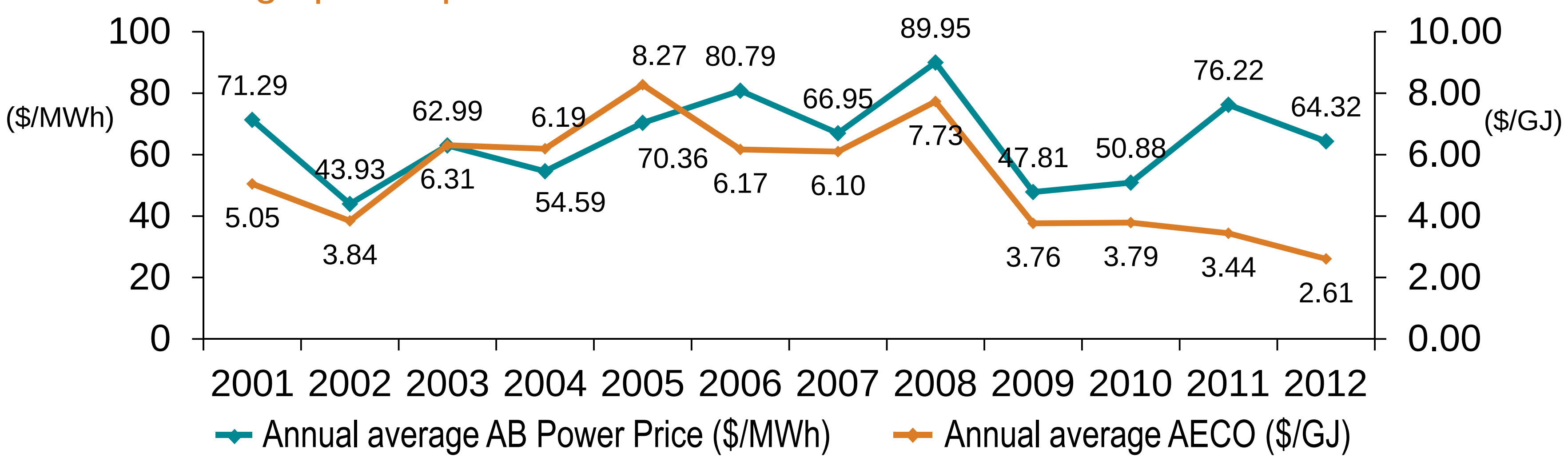
Historical Alberta prices

Daily average power prices



Annual average power prices and AECO



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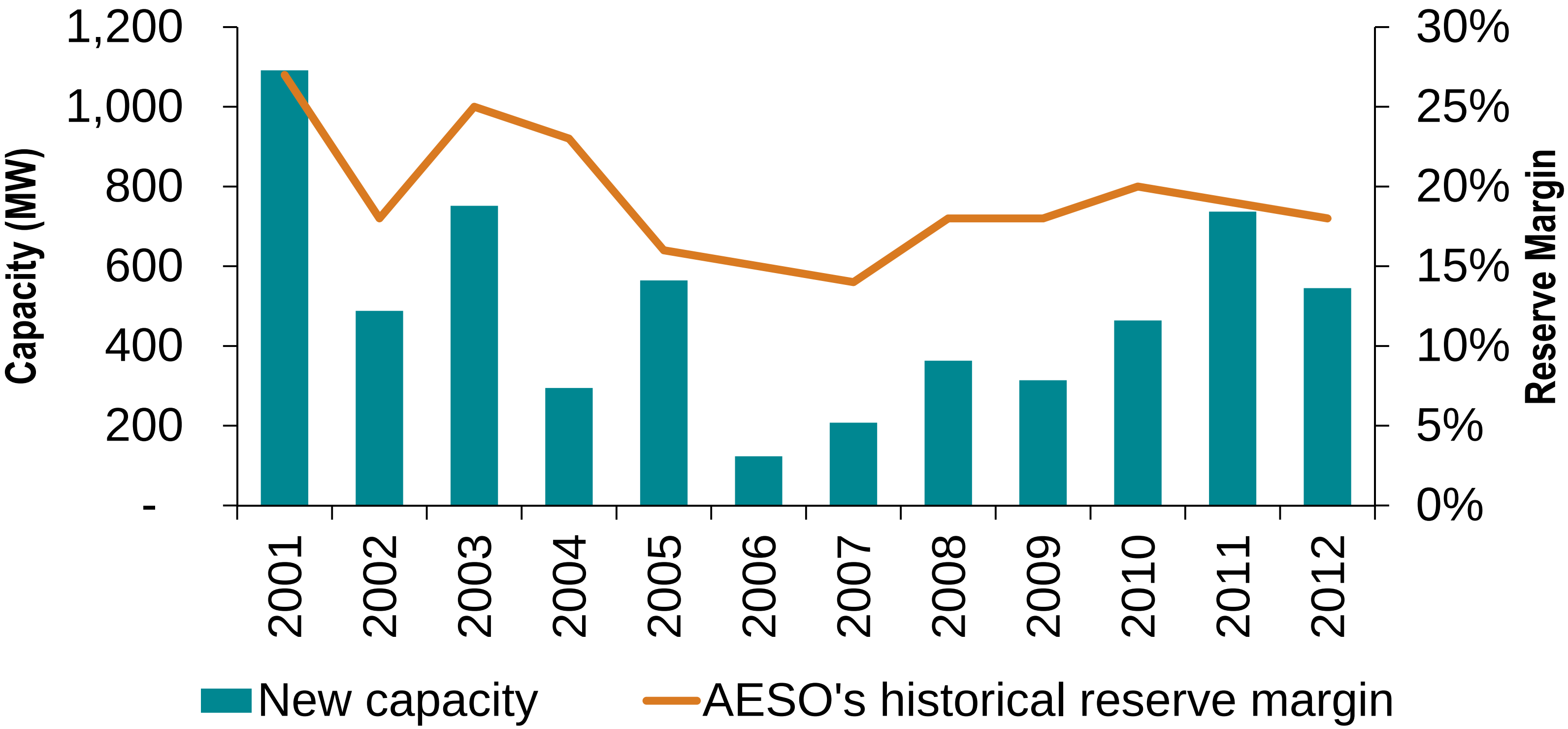
Alberta market design

Current market design has been successful in signaling when new capacity is required

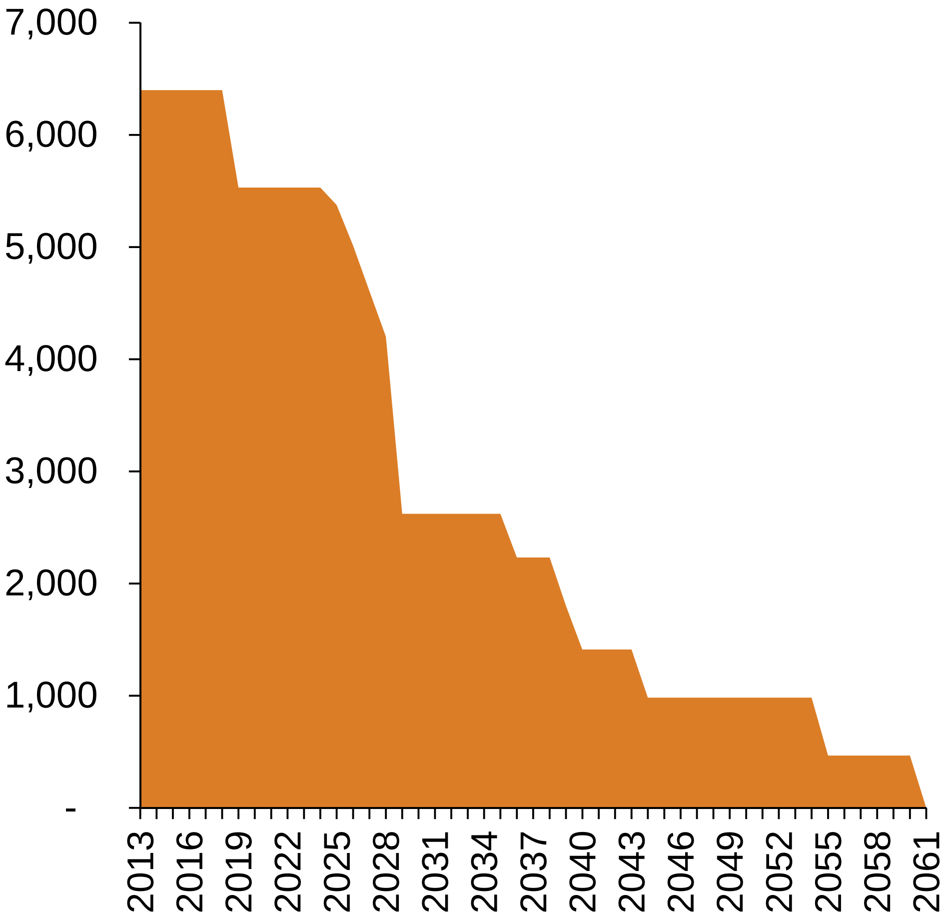
Alberta reserve margin and new capacity



Expected coal unit retirements - CST

Retirements under the federal Capital Stock Turnover (CST) regulations

Alberta coal generation (MW)



Facility	Generation Capacity (MW)	End of Life (Final Regulations)
Battle River 3	149	2019
Sundance 1	288	2019
H.R. Milner	144	2019
Sundance 2	288	2019
Battle River 4	155	2025
Sundance 3	362	2026
Sundance 4	406	2027
Sundance 5(1)	406	2028
Sundance 6(1)	401	2029
Battle River 5	385	2029
Keephills 1	387	2029
Keephills 2	406	2029
Sheerness 1	390	2036
Genesee 2(1)	430	2039
Sheerness 2	390	2040
Genesee 1(1)	430	2044
Genesee 3(1)	516	2055
Keephills 3(1)	466	2061

(1) Represents units that Capital Power has ownership/interests in.

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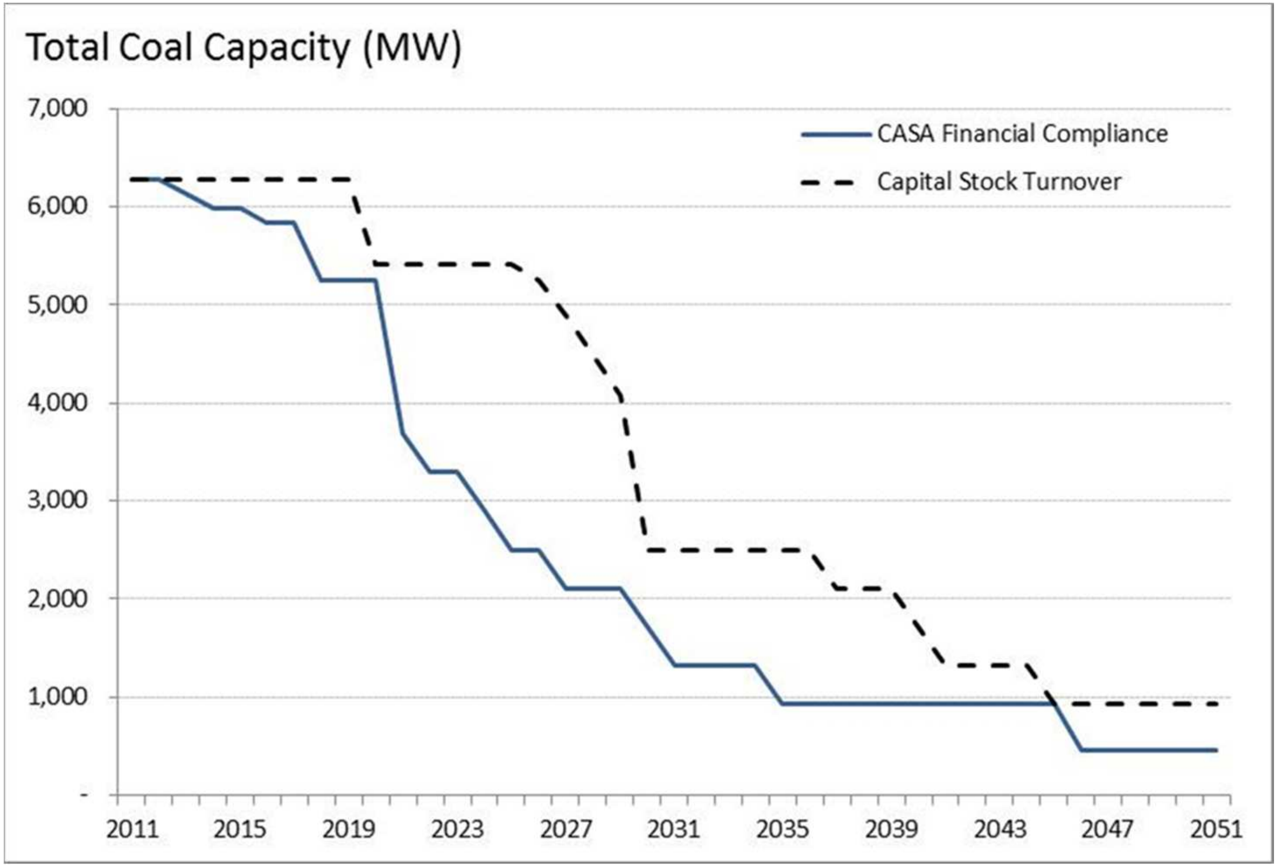
Expected coal unit retirements - CASA

Clean Air Strategic Alliance (CASA) regulations may result in coal units retiring sooner



NOTE: CASA Financial Compliance assumes coal-fired capacity retirements in the year BATEA must be installed as per the Alberta Air Emissions Standards for Electricity Generation CASA framework.

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Alberta power market summary

Alberta's market design framework

- Has attracted continued investment by various parties for different fuel types
- Ensures investment risk is borne by investors and not ratepayers/taxpayers
- Provides participants with options and choices for managing their commodity price risk

Capital Power believes Alberta's market design is sustainable and will continue to attract investment

- No major market reforms required
- Effective implementation of existing policy directives, particularly new transmission development

"…analysis confirms that, from a resource adequacy and generation investment perspective, the Alberta electricity market is generally well functioning based on current market conditions and policies. The current market design should be able to address the identified resource adequacy challenges and there is no compelling or immediate need for major design changes to address these challenges."

– (The Brattle Group, Inc., Mar/13)

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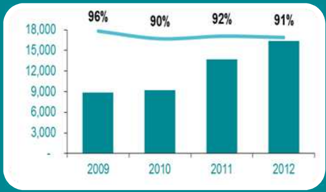
Summary

Straight forward business model with long-term contracted assets and merchant position that provides stable cash flows and upside opportunities



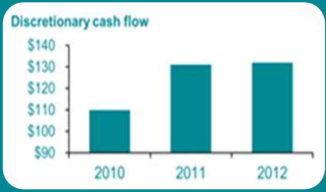
Large, high quality generation portfolio

Young and modern fleet with proven operating history

Technology focus on natural gas, coal, wind and solar

Dominant AB power producer with increasing exposure to the fastest growing power market in North America

North American footprint in attractive target markets



Investment grade credit rating

Financial strength with access to capital

Strong cash flow generation

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Summary of assets

	Genesee 1	Genesee 2	Genesee 3	Keephills 3	Joffre	Clover Bar Energy Centre	Clover Bar Landfill	Halkirk
	Alberta Contracted		Alberta Commercial					
Capacity	430 MW	430 MW	516 MW	495 MW	480 MW	243 MW	4.8 MW	150 MW
% owned / operated	100 / 100	100 / 100	50 / 100	50 / 0	40 / 0	100 / 100	100 / 100	100 / 100
Location	Warburg, Alberta	Warburg, Alberta	Warburg, Alberta	Keephills, Alberta	Joffre, Alberta	Edmonton, Alberta	Edmonton, Alberta	Halkirk, Alberta
Fuel	Coal	Coal	Coal	Coal	Natural gas	Natural gas	Landfill gas	Wind
Commercial Operations	1994	1989	2005	2011	2000	Unit 1 - 2008 Unit 2&3 - 2009	2005	2012
PPA Expiry	2020	2020	Merchant	Merchant	Merchant	Merchant	Merchant	~40% - 45% of total revenues from 20-year REC sale agreement / Merchant

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Summary of assets (cont'd)

	Kingsbridge 1	Island Generation	Quality Wind	Roxboro	Southport	Tiverton	Rumford	Bridgeport
	Ontario & British Columbia Contracted			Mid-Atlantic Contracted		US Northeast Commercial		
Capacity	40 MW	275 MW	142 MW	88 MW	46 MW	279 MW(1)	270 MW(1)	540 MW(1)
% owned / operated	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100
Location	Goderich, Ontario	Campbell River, BC	Near Tumbler Ridge, BC	Roxboro, North Carolina	Southport, North Carolina	Tiverton, Rhode Island	Rumford, Maine	Bridgeport, Connecticut
Fuel	Wind	Natural gas	Wind	Mixture of wood residuals, tire-derived fuel and coal	Mixture of wood residuals, tire-derived fuel and coal	Natural gas	Natural gas	Natural gas
Commercial Operations	2006, 2001	2002	2012	1987	1987	2000	2000	1999
PPA Expiry	2026 / 2027	2022	2037	2021	2021	Merchant	Merchant	Merchant

(1) Represents net winter capacity. Tiverton, Rumford and Bridgeport have nominal generation capacities of 265, 265, and 520 megawatts, respectively.

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Development projects

	Shepard Energy Centre	Capital Power Energy Centre	K2 Wind Ontario	Port Dover & Nanticoke
	Alberta Commercial		Ontario Contracted	
Capacity	800 MW	Up to 900 MW	270 MW	105 MW
% owned / operated	50 / 0	100 / 100, looking for 3rd party in development	33.3% owned	100 / 100
Location	Calgary, Alberta	Warburg, Alberta	Ashfield-Colborne-Wawanosh, Ontario	Located in the counties of Norfolk and Haldimand, Ontario
Fuel	Natural gas	Natural gas	Wind	Wind
Commercial Operations	Expected Q1/15	Targeting 2018-2020	Expected 2015	Expected Q4/13
PPA Expiry	Merchant / 75% of CPC's share of the project output under 20-year tolling arrangement for the 2015-17 period and 50% thereafter until 2035. Additional contracted arrangements for 100 MW in 2013 & 2015, and 300 MW in 2014	Merchant	20-year PPA with Ontario Power Authority for $135/MWh	20-year PPA with Ontario Power Authority for $135/MWh
Expected Capital Cost	$855M CPC's expected total cost (Estimated total project cost $1.6B)		$291M CPC's expected capex including project financing ($874M expected total project capex)	$340M

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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 disposals (adjusted EBITDA), (ii) funds from operations, (iii) cash flow per share, (iv) discretionary cash flow, (v) normalized earnings attributable to common shareholders, and (vi) 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 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 July 26, 2013 for the six months ended June 30, 2013 which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

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, (viii) expectations regarding plant availability, and (ix) expectations regarding capital expenditures for plant maintenance and other.

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 of the Company's second quarter 2013 MD&A dated July 26, 2013.

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) changes in electricity prices in markets in which the Company operates, (ii) changes in energy commodity market prices and use of derivatives, (iii) regulatory and political environments including changes to environmental, financial reporting and tax legislation, (iv) power plant availability and performance including maintenance expenditures, (v) ability to fund current and future capital and working capital needs, (vi) acquisitions and developments including timing and costs of regulatory approvals and construction, (vii) changes in market prices and availability of fuel, and (viii) changes in general economic and competitive conditions. See Risks and Risk Management in the Company's December 31, 2012 annual MD&A 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.

BEST 50 CORPORATE CITIZENS

Capital Power

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