CAPITAL POWER

ANALYST CONFERENCE CALL
Q2 2013 REVIEW

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July 29, 2013

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 second quarter 2013 Management's Discussion and Analysis (MD&A) dated July 26, 2013 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 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.

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Q2 Summary

Q2/13 financial performance exceeded our expectations

- Normalized earnings of $0.24 per share increased significantly from $0.07 per share a year ago
- Generated strong cash flow, up 56% from last year to $0.86 per share

Average plant availability of 86%

- Reflects two major scheduled outages completed at Genesee 1 and Keephills 3, and unplanned outages at Genesee 1 and 2

Financial results benefited from strong AB power prices in Q2/13 that averaged $123/MWh compared to $40/MWh for the same period last year

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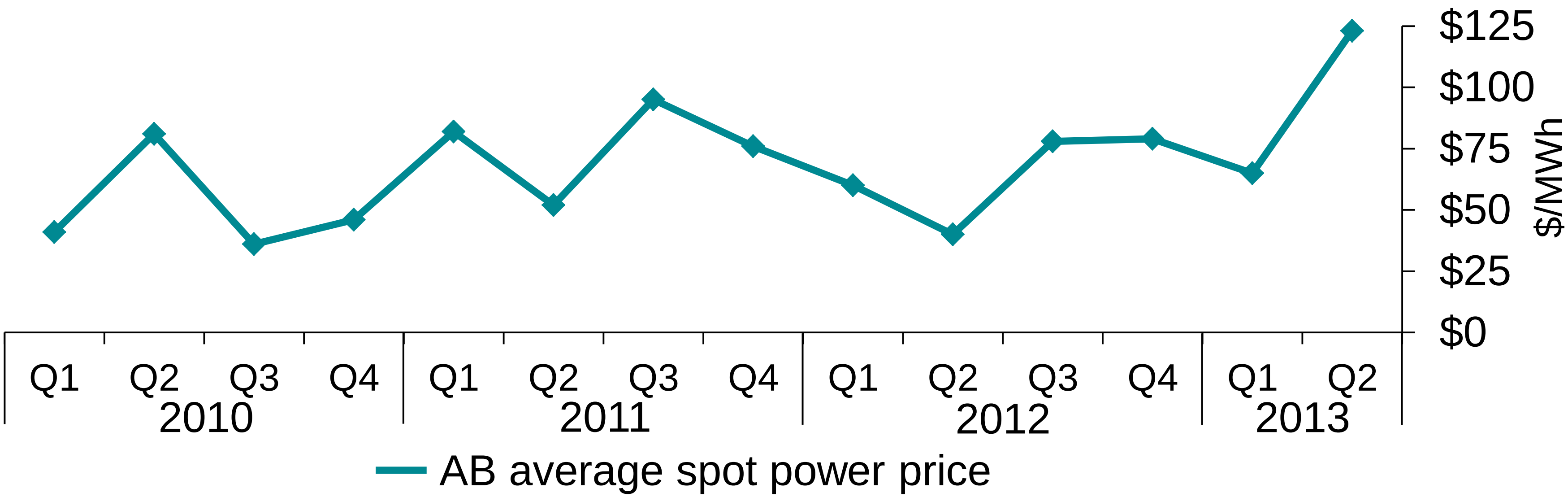
Alberta power market

- Strong pricing in Q2/13 reflects positive supply and demand dynamics of the AB power market, which is recognized as one of the most attractive power markets in North America
- On July 2/13, AB's demand for electricity reached an all-time summer high of 10,062 MW, surpassing the previous summer record of 9,885 MW



Capital Power is making significant investments in AB to benefit from this attractive market

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Q2/13 Operating performance

Plant Availability		Q2/13	Q2/12
Alberta commercial plants	Genesee 3	100%	95%
	Keephills 3	65%	100%
	Clover Bar Energy Centre	99%	97%
	Joffre	100%	99%
	Halkirk	99%	N/A
Alberta contracted plants	Genesee 1	61%	97%
	Genesee 2	86%	72%
Ontario and BC contracted plants	Island Generation	100%	100%
	Kingsbridge 1	96%	99%
	Quality Wind	98%	N/A
North East US commercial plants	Bridgeport	83%	35%
	Rumford	77%	84%
	Tiverton	93%	77%
North Carolina US contracted plants	Roxboro	88%	84%
	Southport	94%	87%
	Average	**86%**	**82%**

- Strong availability from AB commercial plants
  - K3's performance reflects major scheduled outage
- AB contracted availability of 74% reflects G1 major scheduled outage, as well as unscheduled outages at both G1 and G2
- No further major outages scheduled for H2
  - Expect to meet 2013 full year average plant availability target of 93%

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Financial performance – Q2/13

$M, except per share amounts	Q2/13	Q2/12	% Change
Revenues and other income	**$321**	$261	23%
Adjusted EBITDA(1)	**$109**	$73	49%
Basic earnings per share	**$0.20**	($0.50)	140%
Normalized earnings per share	**$0.24**	$0.07	243%
Funds from operations	**$85**	$54	57%
Cash flow per share	**$0.86**	$0.55	56%

Financial results benefited from strong AB power prices in Q2/13 that averaged $123/MWh compared to $40/MWh in Q2/12

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

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Financial performance – 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 YTD 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 plants & portfolio optimization

Segment continues to deliver value; contributed a record $114M adjusted EBITDA in Q2/13, up 107% YOY

- Primary driver of the increase in adjusted EBITDA was higher average power prices of $123/MWh in Q2/13, compared to $40/MWh in Q2/12
  - Captured $93/MWh average price
- The addition of Halkirk (COD Dec/12) also increased adjusted EBITDA YOY
- Partly offset by decreased adjusted EBITDA from portfolio optimization activities

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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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

Corporate priorities

Operational targets

Performance measure	2013 Target	Q2/13 YTD Results
Plant availability average	≥ 93%	90%
Sustaining capex	≤ $105M	$59M
Maintenance and operating expenses	$225M - $245M	$94M

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Corporate priorities (cont'd)

Development and construction targets

Performance measure	2013 Target	Status
Port Dover & Nanticoke Wind	Continue on budget $340M, Q4/13 target COD	On track
K2 Ontario Wind	Environmental approvals received in 2013	REA received Jul/13
Shepard Energy Centre	Continue on budget of $860M	On track

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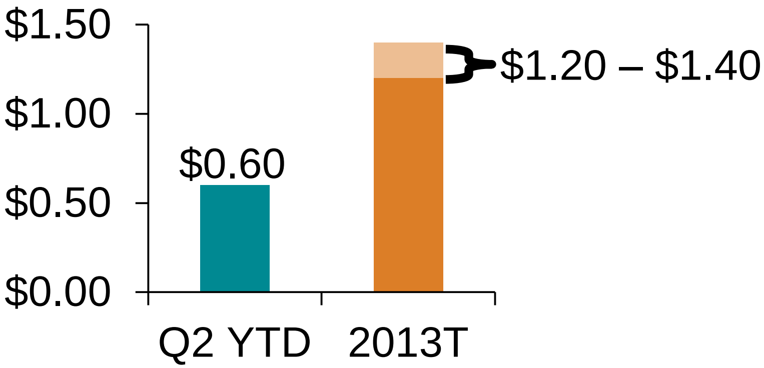
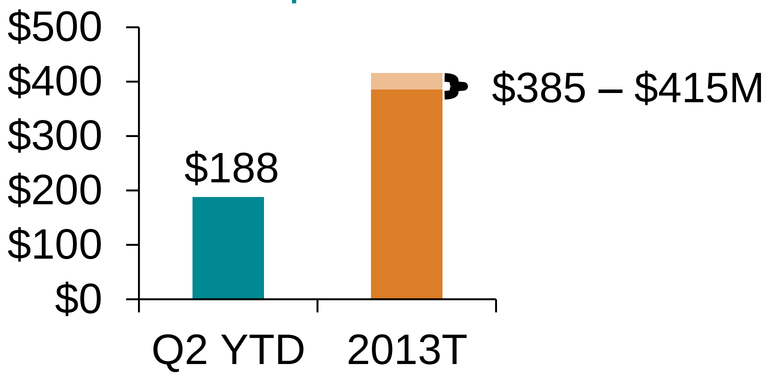
Corporate priorities (cont'd)

Financial targets

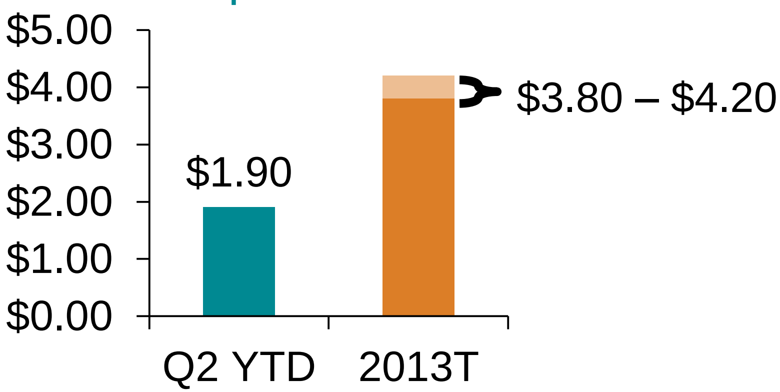
Normalized EPS



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

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QUESTIONS?

Port Dover & Nanticoke wind project

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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.

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