Investor Meetings

Brian Vaasjo, President & CEO
Stuart Lee, SVP & CFO

June, 2011

Capital Power Corporation

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:

(1) As of Jun 17/11

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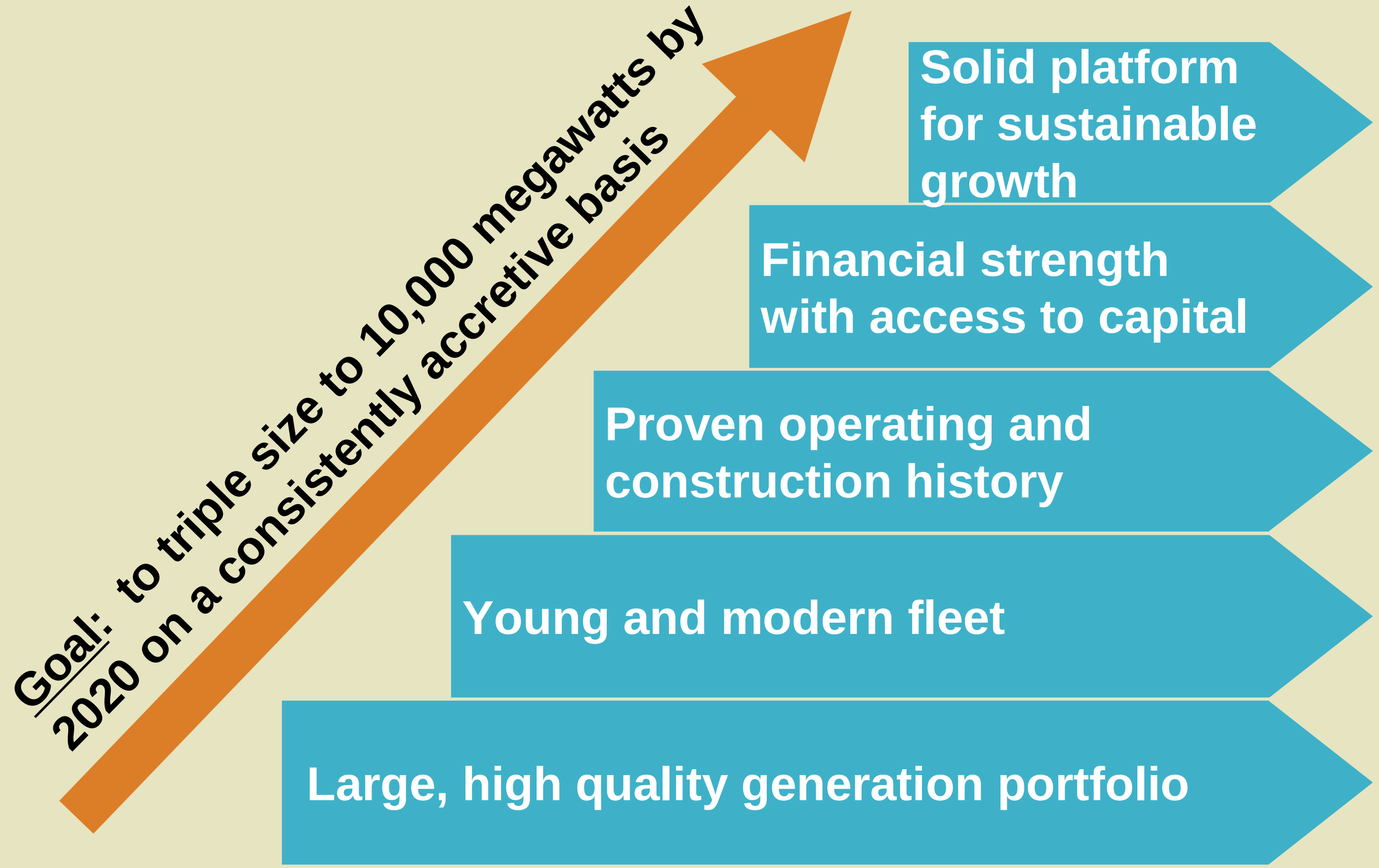
Corporate strengths



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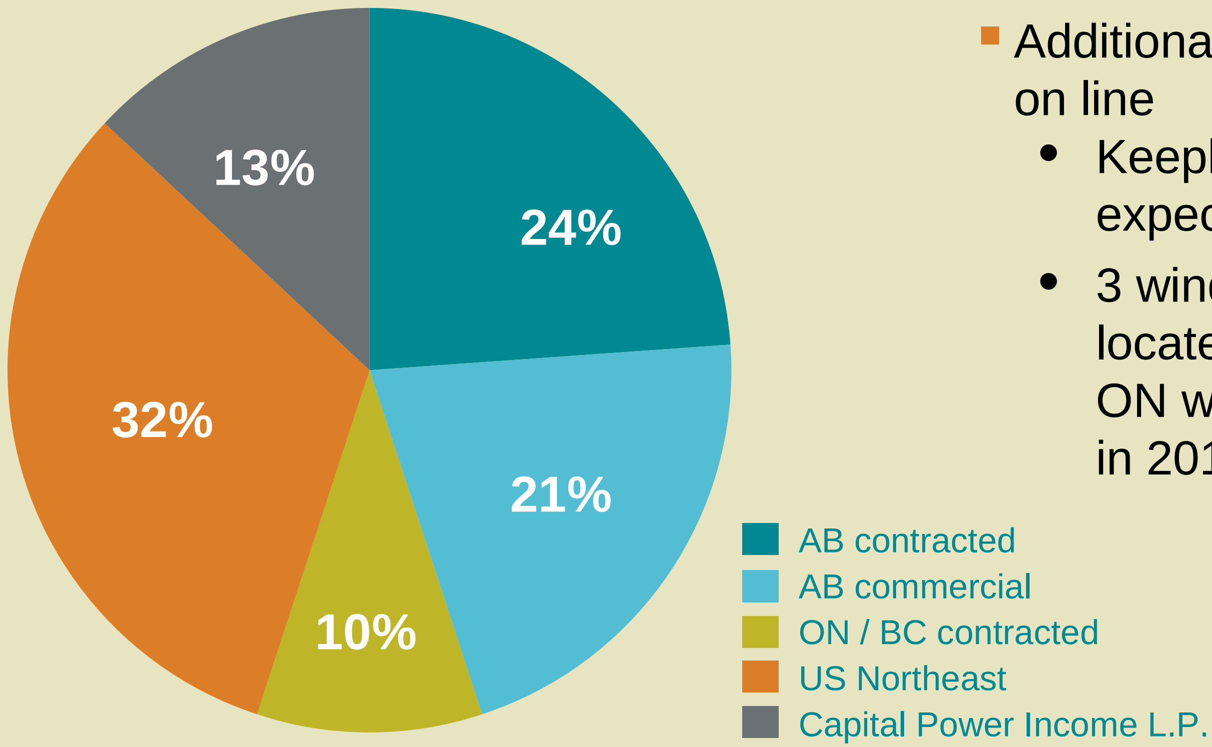
Large, high quality generation portfolio

Interests in 34 facilities, nearly 4,900 MW(1)

Segmented owned capacity by MW(2)

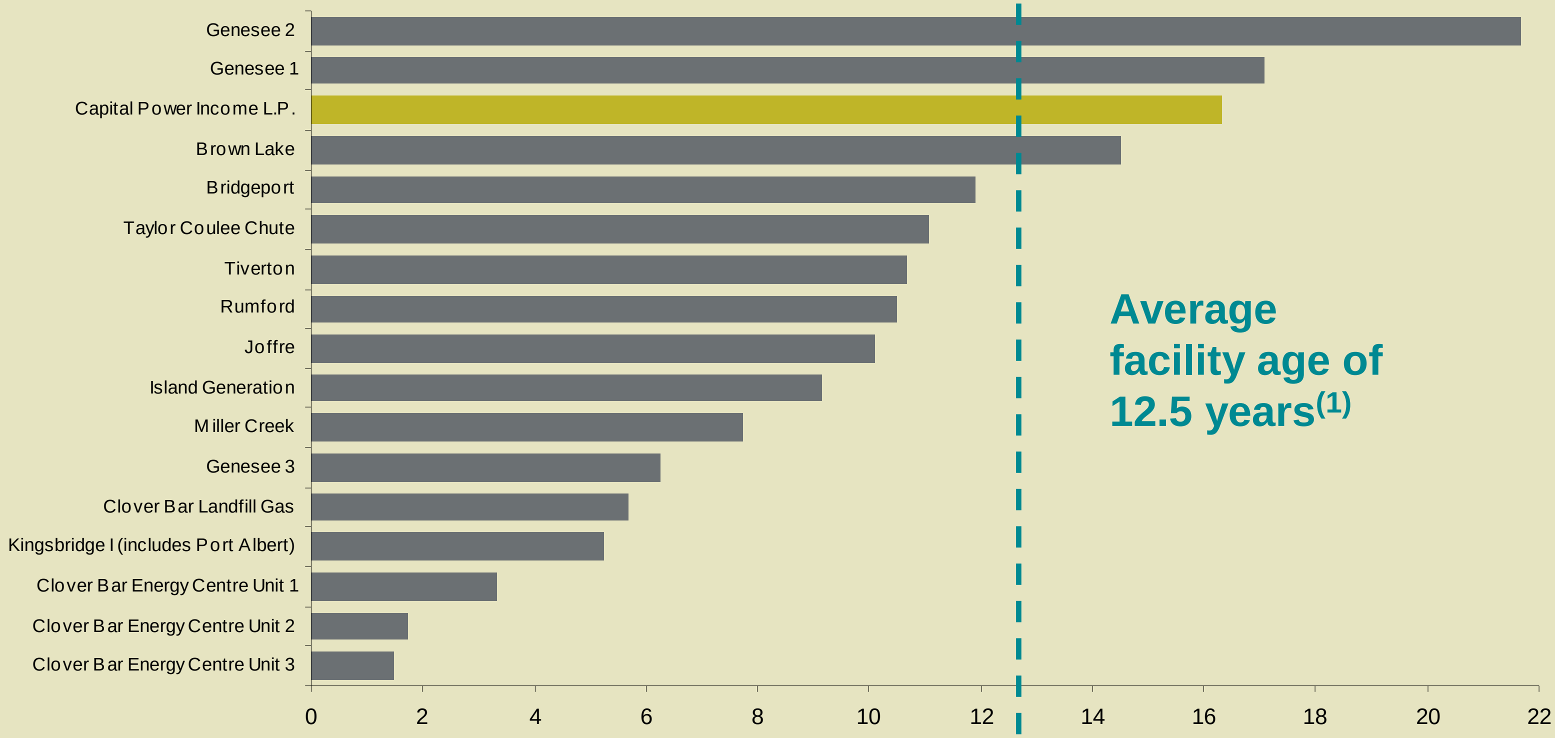


- Additional facilities to come on line
  - Keephills 3 (247.5 MW) expected COD in Q3/11
  - 3 wind projects (397 MW) located in BC, AB, and ON with expected CODs in 2012

(1) Capacity owned and /or operated capacity; 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)

Modern fleet

- Young fleet with 4 new projects (645 MW) scheduled to begin commercial operations in 2011 and 2012
- Coal-fired generating facilities, which have historically represented the majority of the portfolio, have useful lives of up to 45 years



(1) Average facility age weighted by owned capacity as of May 31/11. Includes 29.2% interest in CPILP

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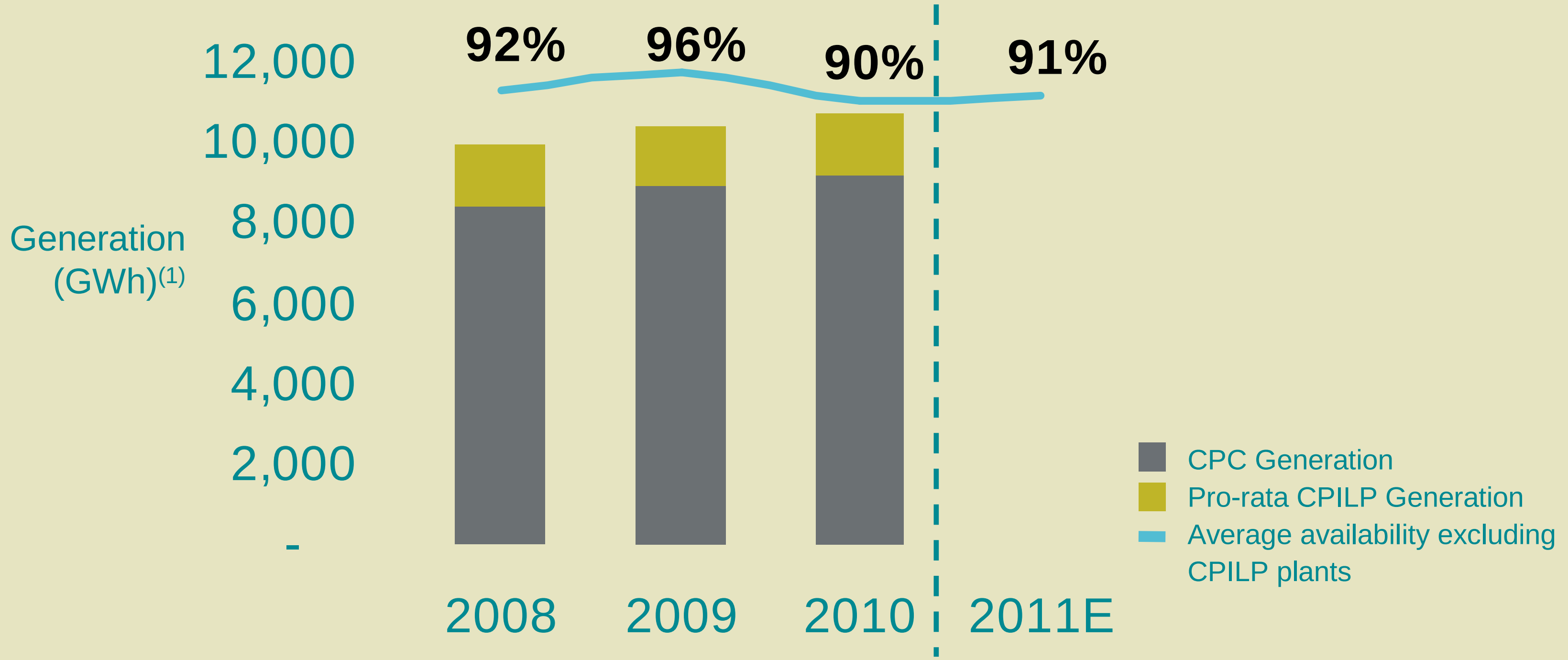
Proven operating history

Historical operating performance



- Average 3-year plant availability of 93% for owned and/or operated plants

(1) Proportionate CPILP generation ownership interest of 30.6% in 2008, 30.5% in 2009 and 29.6% in 2010

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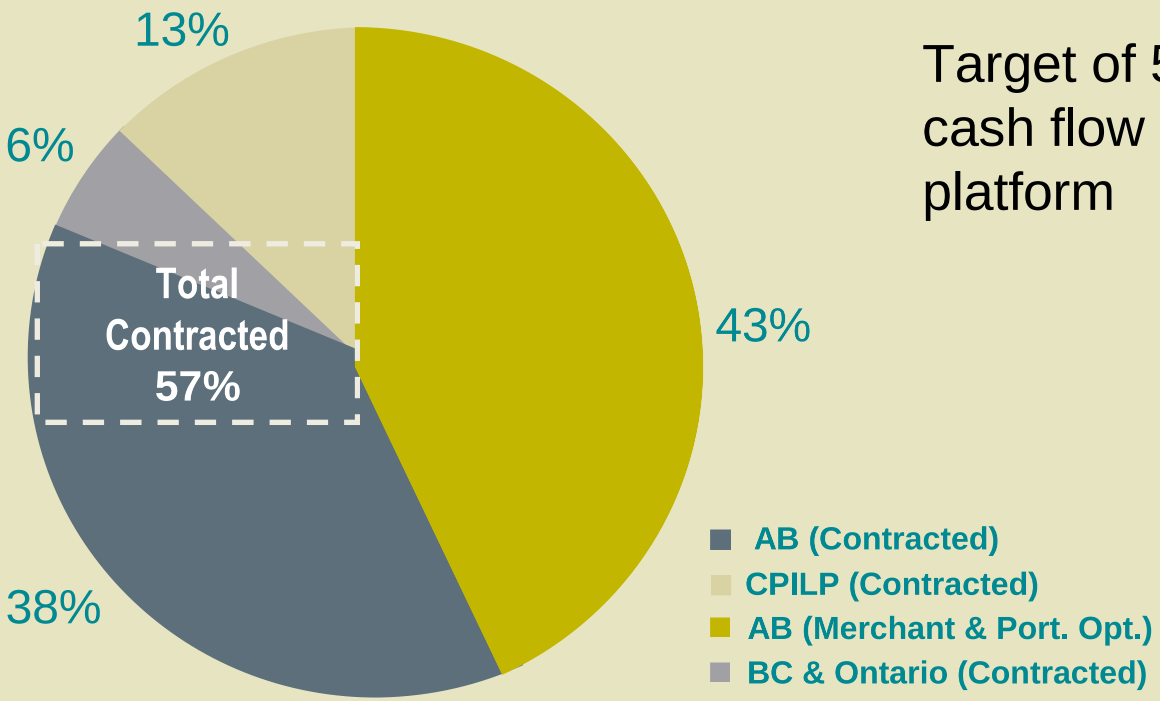
Proven construction capability

- Foundation of proven capability and processes in construction
- Significant experience in the construction and operation of both thermal (coal, natural gas) and renewable (wind, biomass, small hydro) facilities
- Capital Power (predecessor EPCOR Utilities Inc.) led construction of 7 facilities (1,560 MW) including Genesee 3 and Keephills 3 in past 10 years
  - Genesee 3, one of the very few large construction projects built in Alberta over the last six years that was on time and on budget
  - Keephills 3 expected COD in Q3/11 with expected costs slightly higher than revised budget
- Have measured well in terms of construction costs and schedules despite an overheated Alberta market when large capital projects >$500M overran budgets by 40% or more
- Developing 3 wind projects (397 MW) located in BC, AB and ON with expected COD in 2012

Balancing contract & merchant positions

Operating margin split(1)



Target of 50% contracted cash flow provides solid platform

(1) Mar 31/11 LTM operating margin excluding unrealized changes in fair value of derivatives, FX and natural gas contracts and Interplant category transaction eliminations. CPILP margin based on CPLP's proportionate ownership. Other Portfolio Activities included with Merchant & Portfolio Optimization

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Financial strength and access to capital[1]

- Strong balance sheet with BBB investment grade credit ratings (S&P/DBRS)
  - Debt-to-capitalization ratio[2] of 31%
  - Assets[2] of ~$3.8B with ~$1.0B of long-term debt[2]
  - CPLP has $1.2 B in credit facilities, of which ~$1.0 B available
- Continuous access to capital key to sustainable growth
  - Maintain BBB credit ratings or better
  - Access to competitive cost of capital to fund growth
  - Significant differentiator from many U.S. IPPs
- Have the following financial ratio targets:
  - Minimum 20% FFO/Debt
  - Debt to Capitalization of 40-50%

(1) All figures as of Mar 31/11
(2) CPILP accounted for on the equity basis

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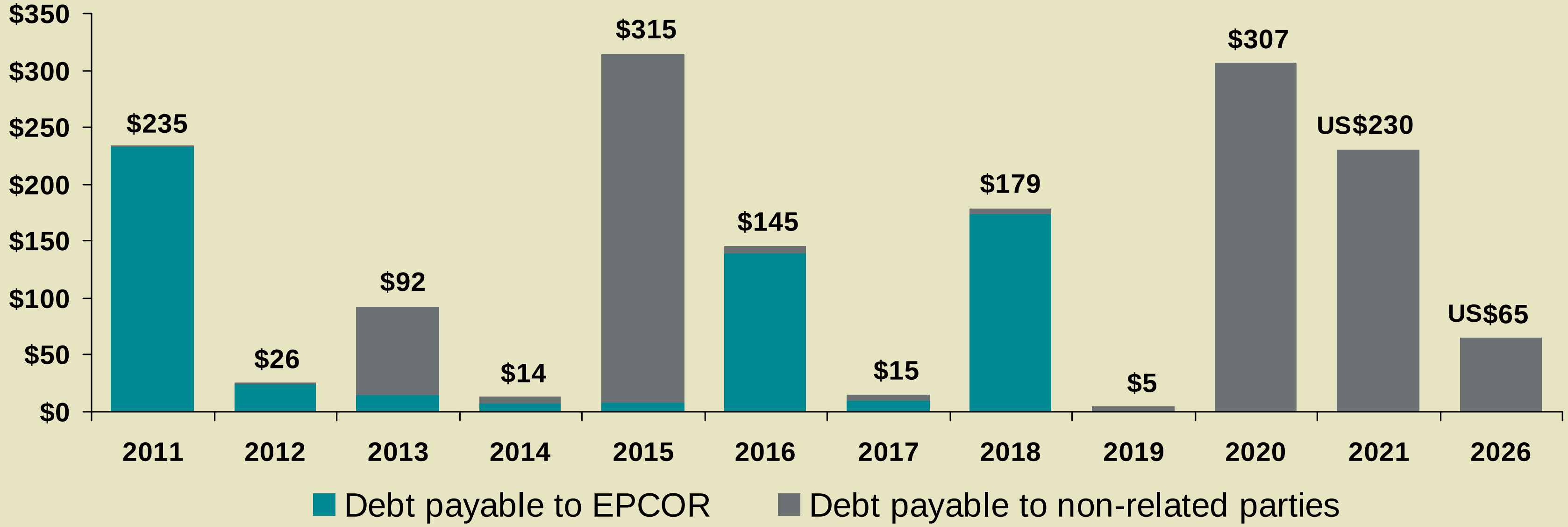
Successful capital markets financings

- Capital Power has closed 3 debt financings totaling ~$900M
- $232M common equity offering in Mar/11
- $221M secondary common equity offering in Dec/10
- $125M preferred share issuance in Dec/10

Debt maturities are well spread out(1) ($M)



(1) All figures as of Mar 31/11 with the exception of US$295M private placement that closed on Jun 15/11

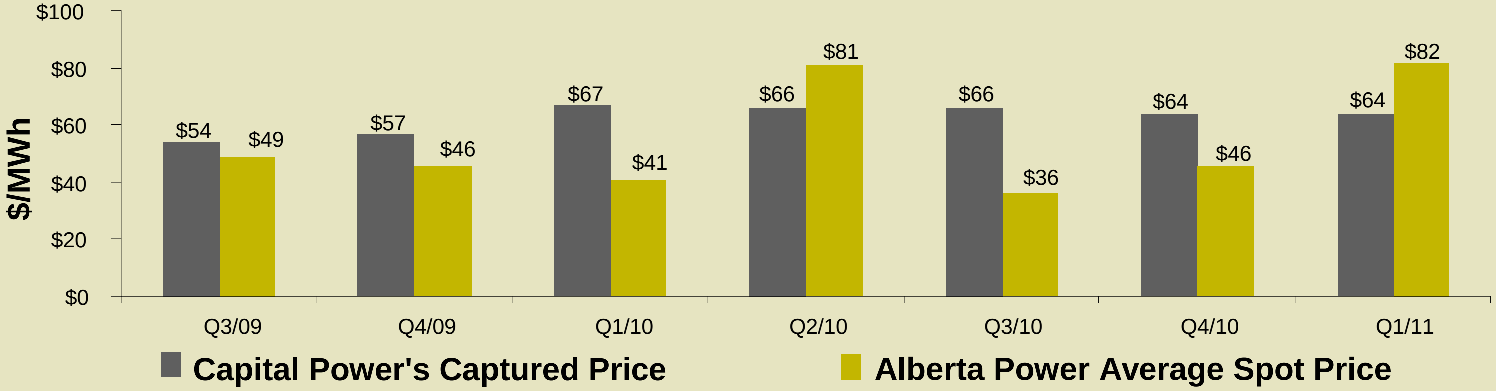
Alberta power market

- 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 ancilliary services market
- Entire province is a single zone where power prices are determined by the bid price of the incremental power generator (ie. 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 estimates both peak and energy growth will increase on average at around 4.8% annually from 2012-16(1)

(1) AESO Future Demand and Energy Outlook, February 2010

Hedging AB spot power price exposure

- Risk management policy framework in place
- Hedging positions based primarily on generation from G3 baseload coal plant and output from the Sundance PPA and will include Keephills 3 post COD in 2011
- Risk management targets a significantly hedged position entering into a year
- Actively trading (portfolio optimization) throughout various time periods to create incremental value to portfolio
- Portfolio optimization trading team has created shareholder value but will likely see quarterly volatility in results



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2011 EPS guidance

- If average AB spot power prices for the balance of 2011 settle on average in the low-$60/MWh range, expect full year 2011 normalized EPS to be ~$1.40

Alberta portfolio hedged positions at Mar 31/11

Balance of 2011	2012	2013
Hedged positions (% hedged)		
~64%	~35%	~17%
Hedged prices		
Low-$60/MWh	Mid-$60/MWh	Mid-$60/MWh

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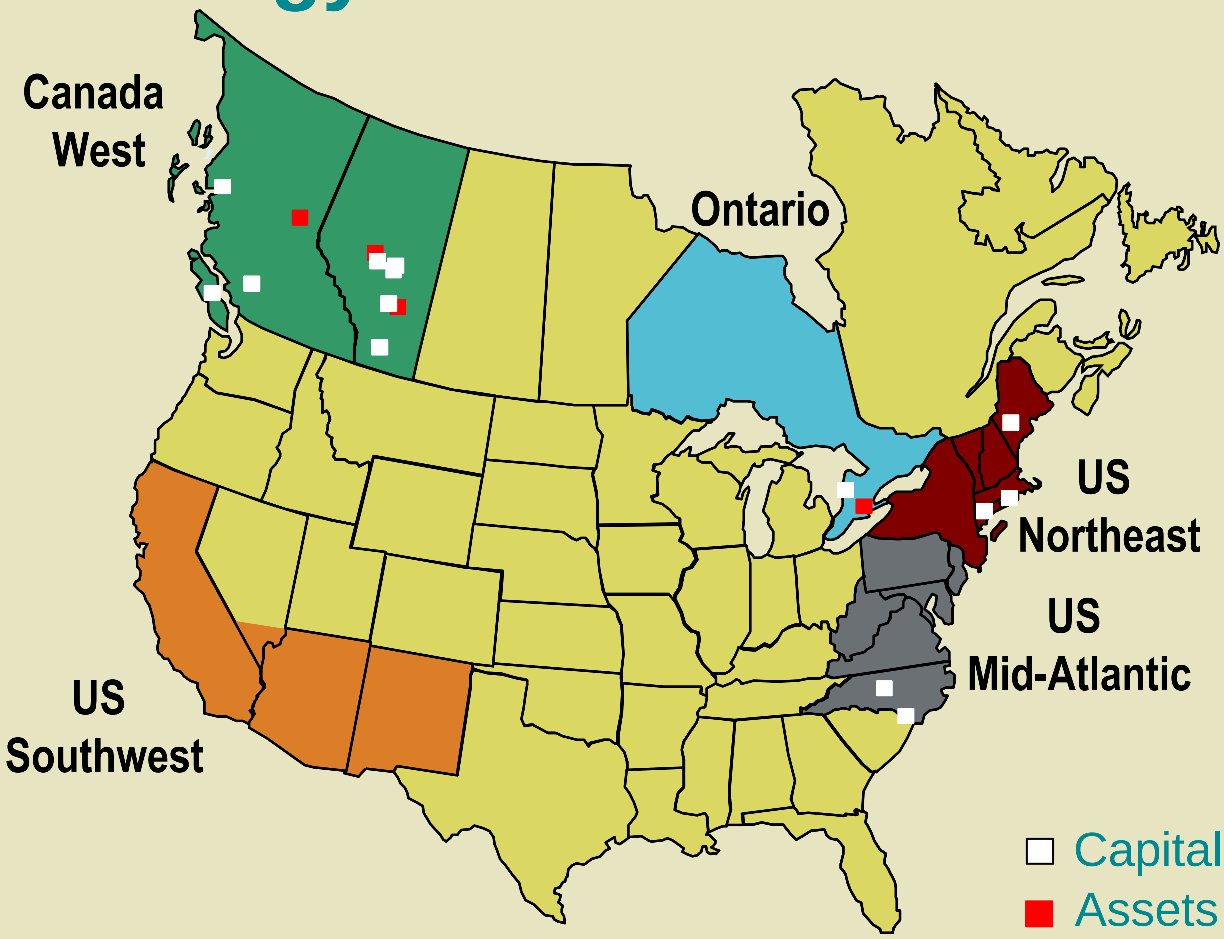
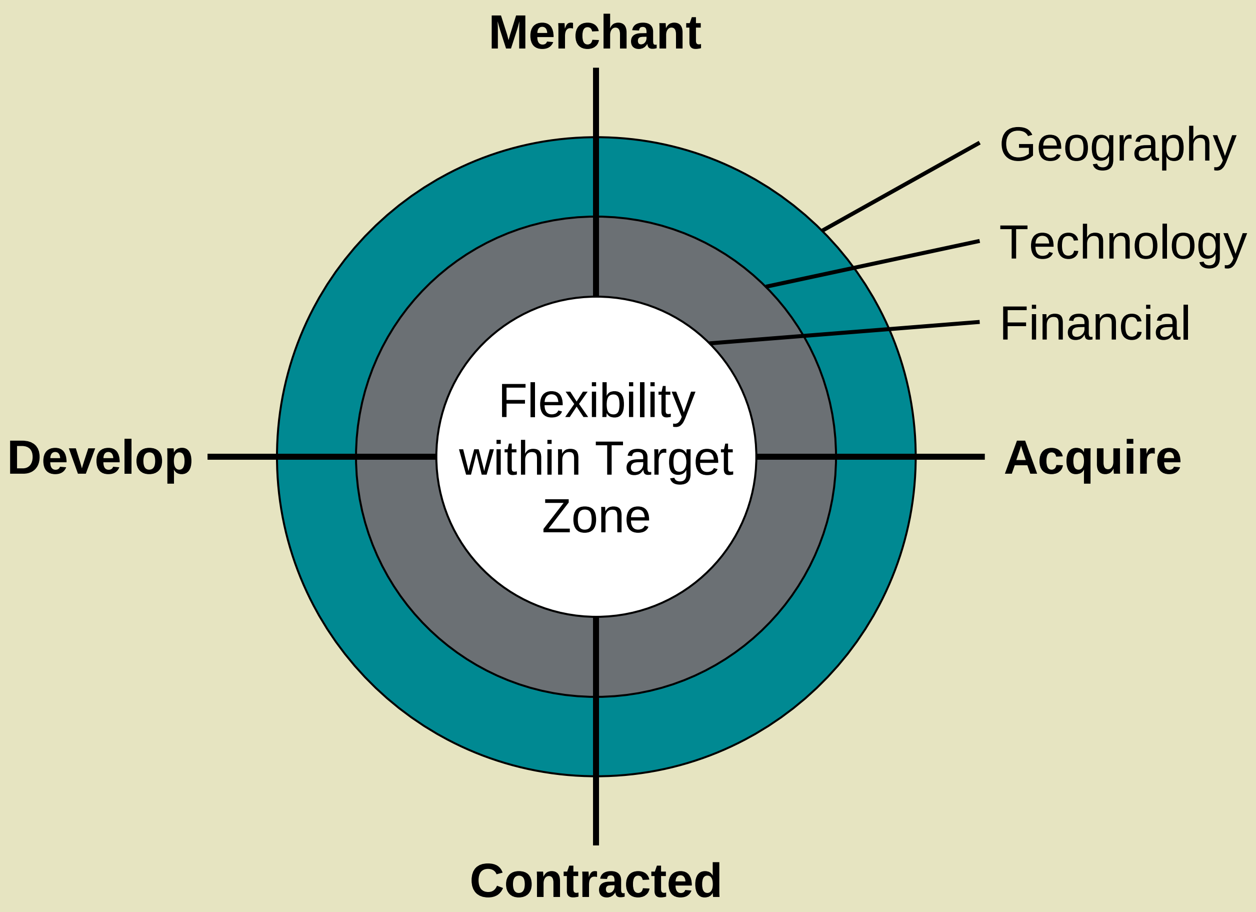
North American platform & growth strategy



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

□ Capital Power facilities
■ Assets Under Construction

Investment strategy



2011 Growth announcements

	Acquisitions		
	Rumford	**Tiverton**	**Bridgeport**
Location	Rumford, Maine	Tiverton, Rhode Island	Bridgeport, Connecticut
Fuel Type	Natural Gas	Natural Gas	Natural Gas
Size	270 MW (Winter Capacity)	279 MW (Winter Capacity)	520 MW
Costs	~US$315M		~US$355M
COD	2000	2000	1999



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Acquisition of Halkirk

- 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 $357M, including acquisition costs
- 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

Acquisition of Halkirk (cont'd)

Construction ready to begin

- All approvals and permits in place from Alberta Utilities Commission and Alberta Environment
- 3-year wind study indicates a consistent and strong wind resource

Sustains our balance of contracted and merchant assets

- Project will have two revenue streams
  - Energy output from the facility will be sold into the Alberta spot market
  - 20-year fixed-price agreement with Pacific Gas & Electric Company for the purchase of Renewable Energy Certificates (RECs) representing ~40 to 45% of total revenues

Employs proven technology that we have experience with

- Incorporates the same Vestas technology to be used at CPC's Quality Wind and Port Dover and Nanticoke projects

Exceeds our target rate of return

- Expected to generate an after-tax unlevered return of ~10-11% (including tax benefit) and to be, on average, neutral to EPS over the first five years

Corporate update – divestiture of CPILP

- Jun 20/11 - CPC announced that CPILP (TSX: CPA.UN) and Atlantic Power Corporation (ATP) have entered into an agreement whereby ATP will acquire, directly and indirectly, all of the outstanding limited partnership units of CPILP
- Upon closing, CPC will receive ~$320M in combined consideration for its ~29% ownership interest in CPILP, and $10M for terminating certain management and operations agreements
- Agreements include CPC acquiring CPILP's Roxboro and Southport plants in North Carolina
  - Close to finalizing 10-year PPA with Progress Energy
  - Expect earnings from the plants to be neutral to EPS over the first five years and to meet CPC's target return for contracted assets of 8%
- Transaction expected to close in Q4/11
- Redeploy capital from investment in CPILP to investments in wholly-owned assets that are consistent with strategy

2011 corporate priorities

Priority	Status
Operational targets	
• Plant availability of ≥ 94% – CPC capacity-weighted plant availability (one Genesee turnaround planned for 2011)	Expect 91% due to issues with CBEC 3
Maintenance capital of approximately \$56M(1) – Plant maintenance and Genesee mine extension	Estimate \$63M(2)
Development and construction targets	
• Capital committed of ≥ \$1.5B for acquisitions / developments that are in-line with our targeted rates of return	~\$1B committed
• CPC's final costs for Keephills 3 ≤ \$955M; COD Q2/11	COD Q3/11 2-3% cost increase
• Development progress for QW and PD&N wind projects on time (both COD in 2012) and on budget	On track

(1) Updated for IFRS. Target for capex for plant maintenance and Genesee mine was increased for major maintenance expenditures that would have been expensed under previous CGAAP (target ~\$40M). Excludes plant maintenance capex for CPILP plants, Genesee mine capex that are funded by the company's partner for mine operations, the three New England plants, Information technology and Other capex.

(2) Estimate includes expected New England plant maintenance of \$7M.

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2011 corporate priorities (cont'd)

Priority	Status
Financial	
• Normalized EPS under previous Canadian GAAP reporting of ~$1.20[1,2] annualized	Revised $1.40[3]
• Funds from operations expected to be modestly higher than 2010	On track
• Cash flow per share expected to be modestly higher than 2010	On track
• Dividend coverage ratio (based on current dividend level) expected to modestly improve from 2010	On track

(1) Based on a forecasted average Alberta power price of $50/MWh.
(2) Financial target based on previous Canadian generally accepted accounting principles (CGAAP).
(3) Restated for IFRS and updated based on Management's current expectations.

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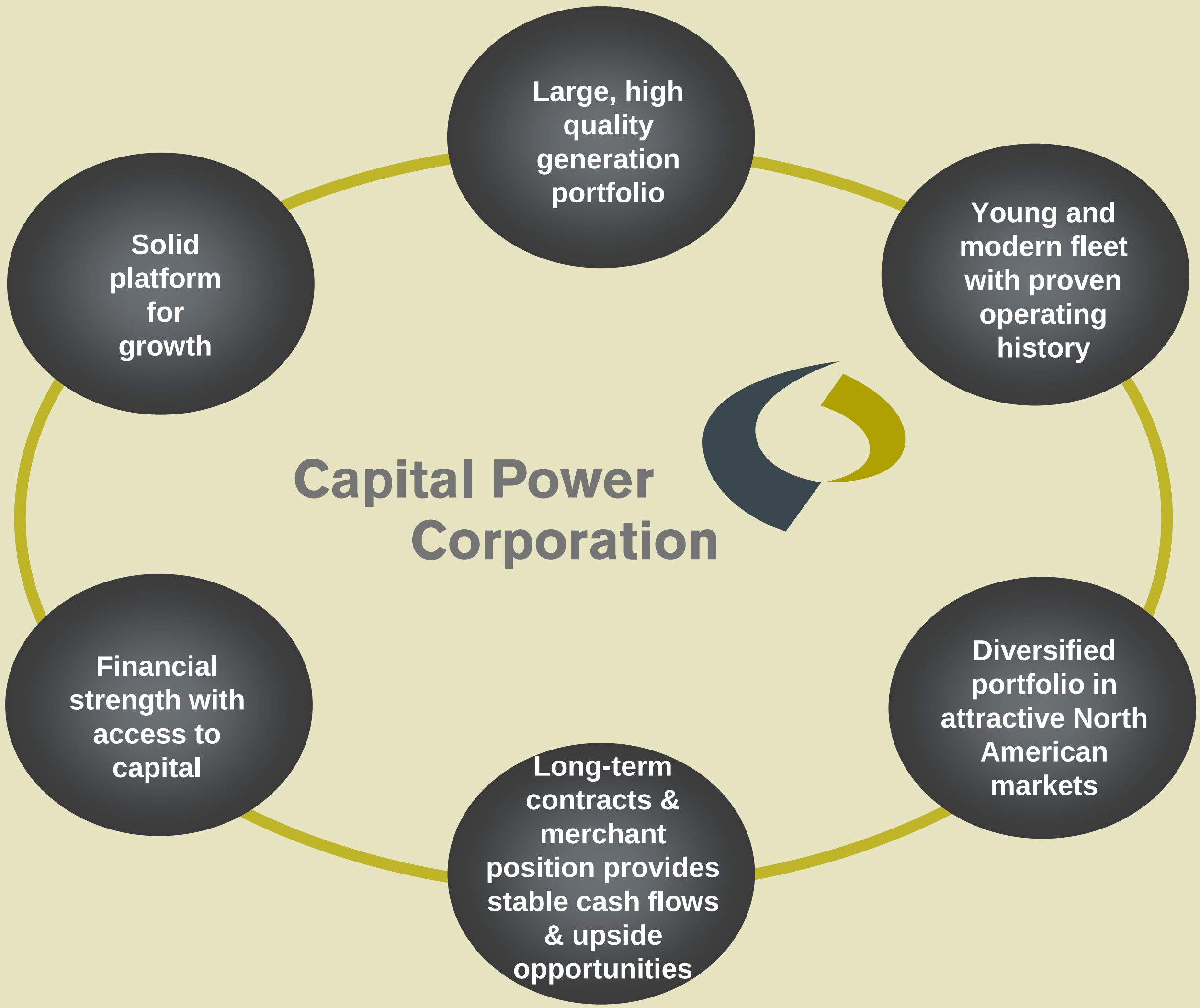
Investment highlights summary



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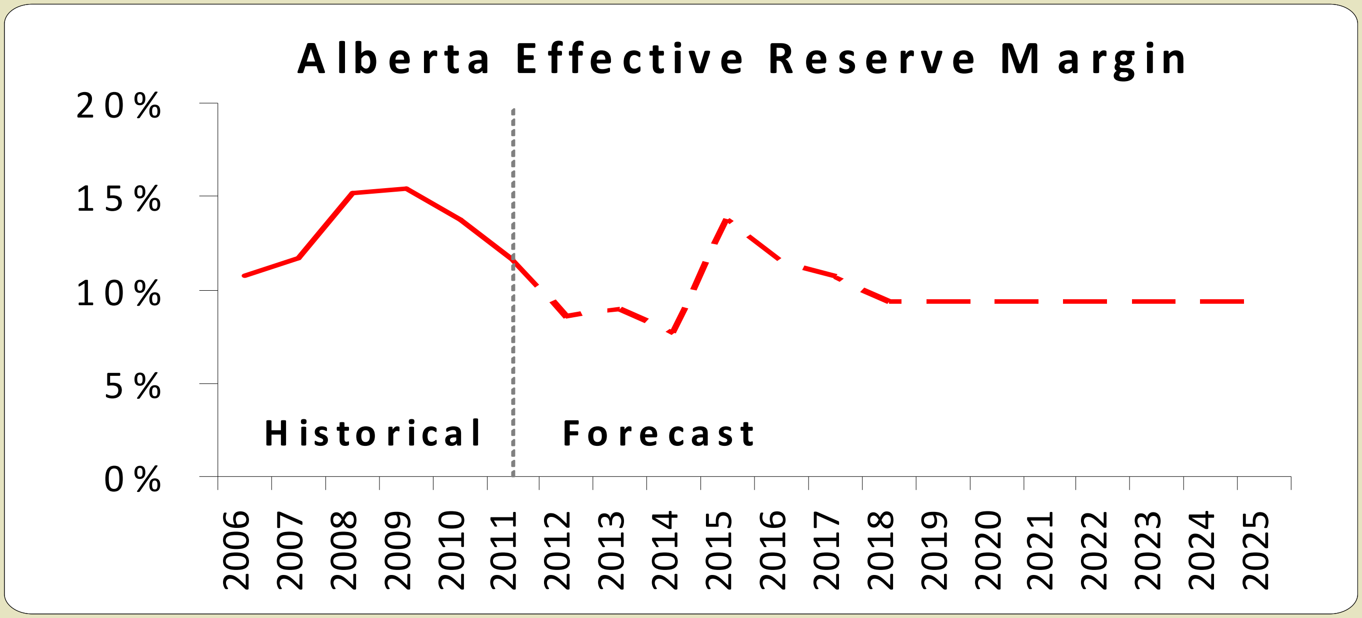
AB reserve margin forecast

- Supply-demand balance (reserve margin) expected to be tight until Shepard (800 MW) COD in 2015, and then gradually tighten through the early 2020s
  - Bringing significant upside to power prices in AB market
- When AB net reserve margin falls below 10%, new generation will typically be economic
- Significant opportunities in the late decade or early 2020s for developers of generation as coal unit retirements kick in



Source: Internal forecast

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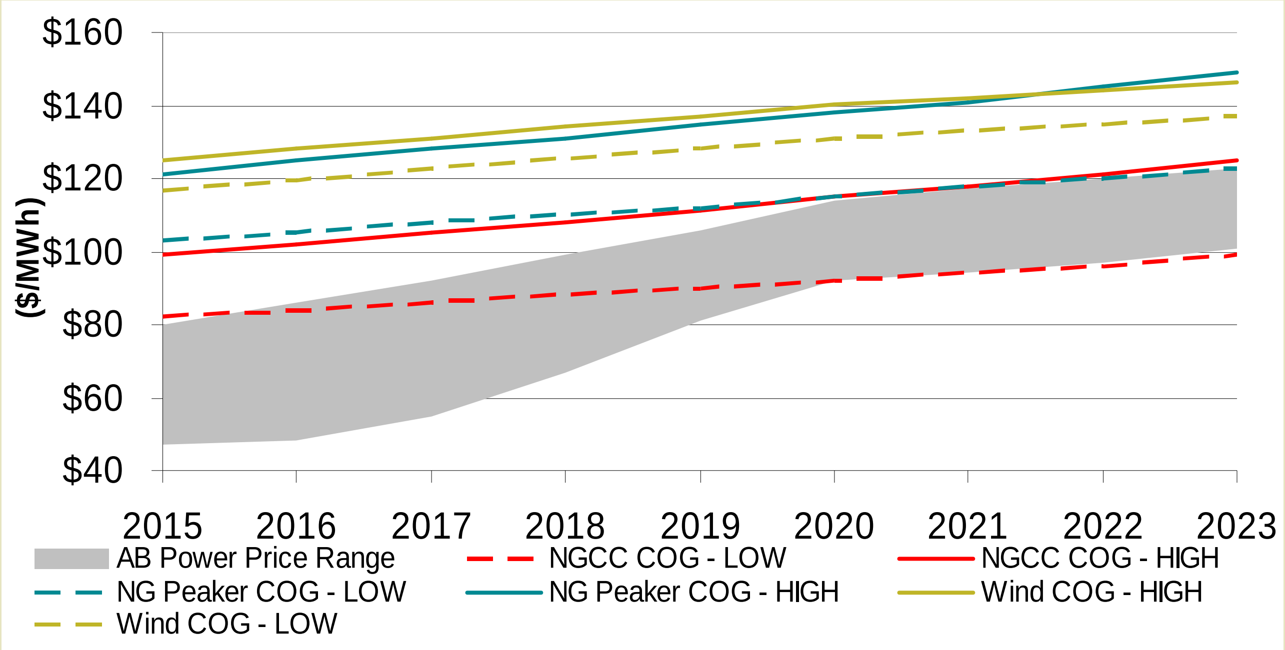
AB cost of generation (COG)

- Sustained higher power prices are required to incent new builds
- Current market fairly well-supplied, significantly tighter now due to shutdown of Sundance 1 & 2 & COD of Keephills 3



Source: Internal forecast

- After Shepard COD in 2015, additional generation not economic until the very late decade or early 2020s
- New generation likely to be baseload NGCC to replace retiring coal units
- Wind development not economic in AB without RECs
- If Capital Stock Turnover proceeds, market likely to be relatively balanced through the 2020s as coal plant retirements balanced by NGCC additions

AB power market (new builds/retirements)

- New builds/retirements (major projects of 100+ MW) over the next 5 years based on internal assumptions

Project	Capacity (MW)	Developer	Type	COD year
Halkirk	150	Capital Power	Wind	2012
Blackspring Ridge I Wind	300	Greengate Power Corp	Wind	2013
Bonnybrook	177	Enmax	Cogeneration	2013
Shepard Energy Centre	800	Enmax	Combined cycle	2015

Facility	Capacity (MW)	Owner	Type	Retirement year
Sundance 1	280	TransAlta	Coal steam	2011
Sundance 2	280	TransAlta	Coal steam	2011

Forward-looking information

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.

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