Capital Power Corporation

CAPITAL POWER INVESTOR MEETINGS

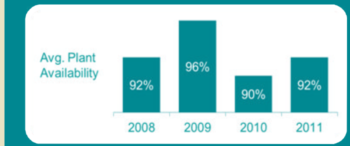
Brian Vaasjo, President & CEO

March, 2012

Capital Power overview

Growth-oriented independent power producer (IPP)

- Trading on the TSX (CPX: fully diluted market cap ~$2.4B)
- Spin-off of power generation assets from EPCOR/IPO in mid-2009

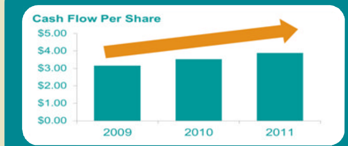


High quality generation portfolio

- Young and modern fleet with generation capacity of ~3,300 MW
- Generation from a combination of natural gas, coal, wind, and potentially solar
- Proven operating and construction history
- 4-year average plant availability of ~93%

Straight forward business model

- Stable and growing cash flow from a balanced portfolio of long-term contracts and merchant components, supported by an investment grade credit rating
- Focused on target markets in Western Canada (primarily Alberta), Ontario, US Southwest, US Northeast, and Mid-Atlantic US



Financial strength and strong cash flow generation

- BBB investment grade credit rating from S&P and DBRS
- 7.2% CAGR of cash flow per share from 2009-2011
- Attractive dividend yield of ~5%

Strong exposure to attractive Alberta power market

- Positive leverage to Alberta power market
- 53% of total owned capacity is in Alberta power market (~1,800 MW)

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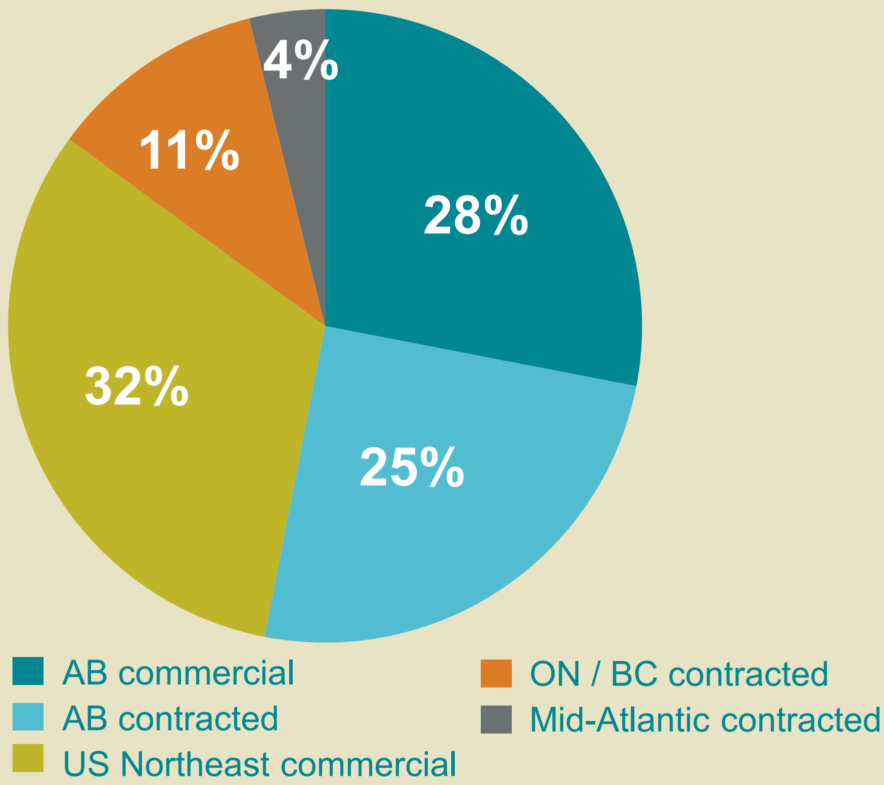
Large, high quality generation portfolio

Interests in 15 facilities, more than 3,300 MW[1]

Segmented owned capacity by MW[1]



- Additional facilities to come on line
  - 2 wind projects (292 MW) located in BC and AB with expected CODs in Q4/12
  - 2 wind projects (195 MW net) in ON with expected COD in 2014

(1) Owned capacity as of Mar 1/12; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW)

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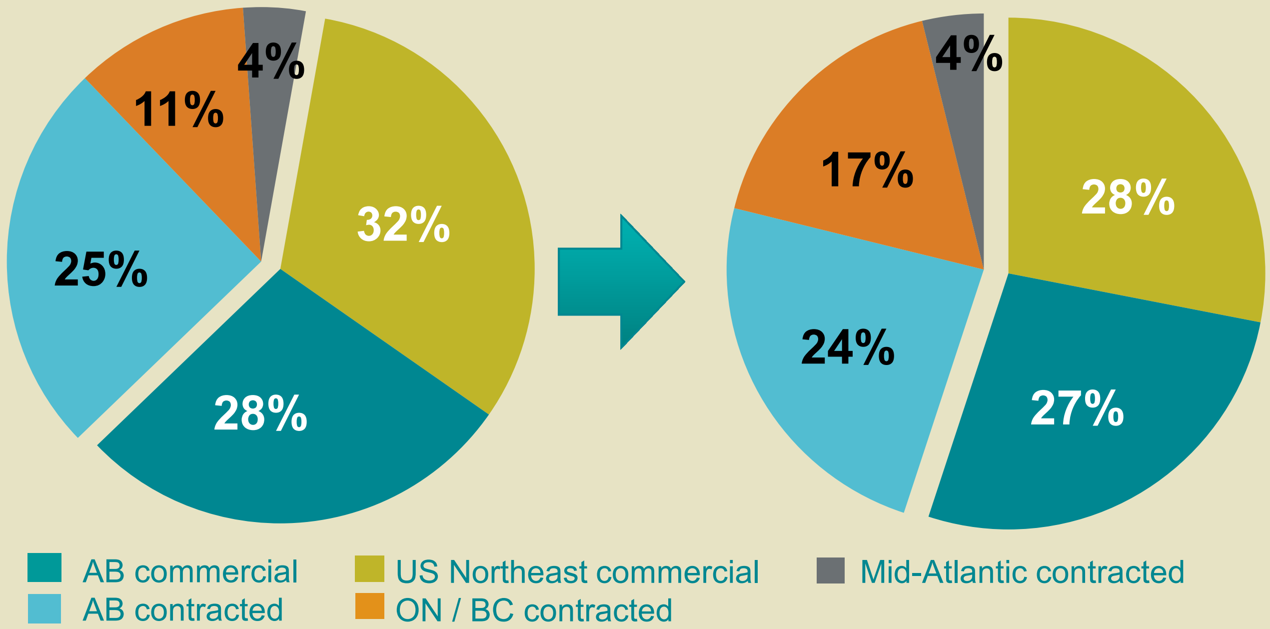
Balanced portfolio of merchant and contracted generation(1)

Continue to have strong exposure to attractive Alberta power market

Today - 2012
15 facilities (3,351 MW)
- 40% capacity contracted

Year-end 2014E
17 facilities (3,798 MW(2))
- 45% capacity contracted



(1) Based on MW owned capacity; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW)
(2) Based on existing plants plus committed development projects and assuming divestiture of small hydro facilities

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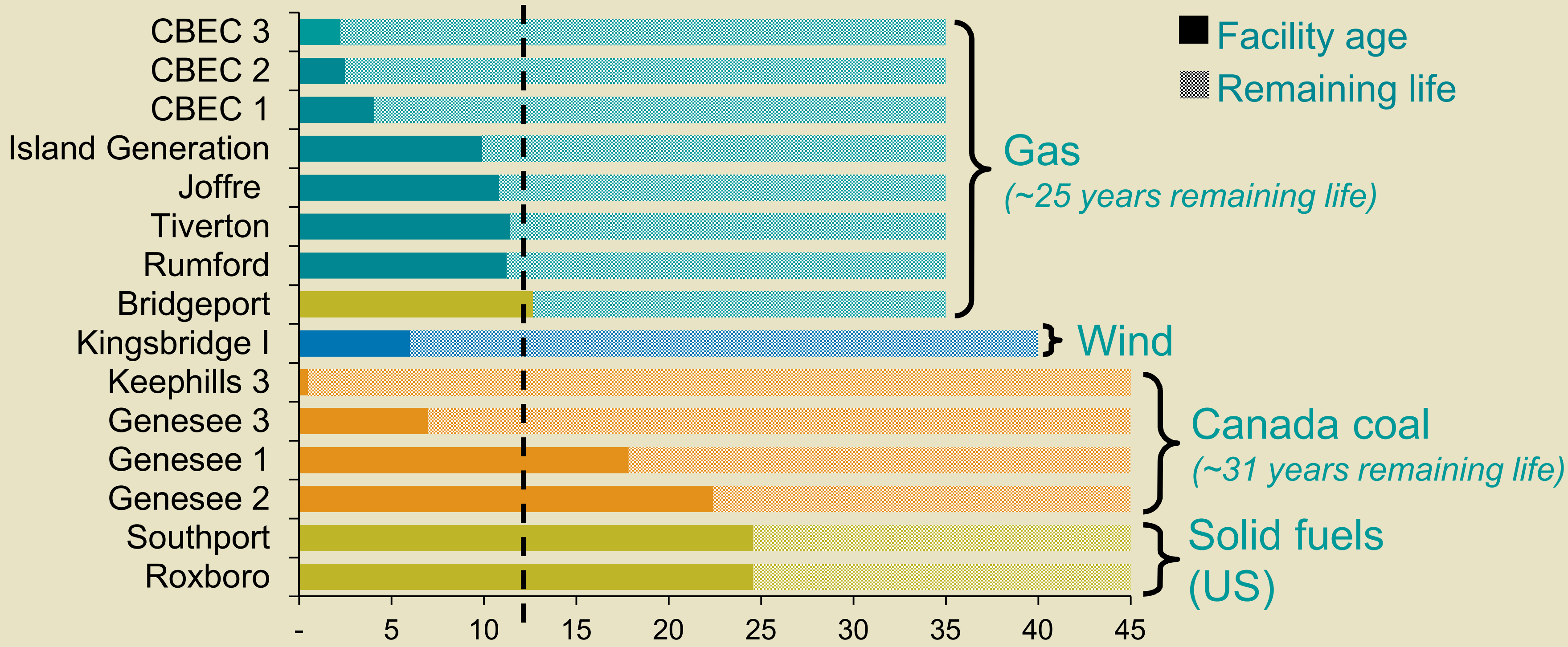
Modern fleet

- Average weighted facility age of the current fleet is 12.3 years(1)
- 4 new projects (487 MW) begin commercial operations in 2012 - 2014



- ~31 years remaining life on Canadian coal facilities
- Favorable coal air emissions being developed

(1) Average facility age and remaining life weighted by owned capacity as of Mar 1/12 - based on existing assets and assuming divestiture of hydro facilities

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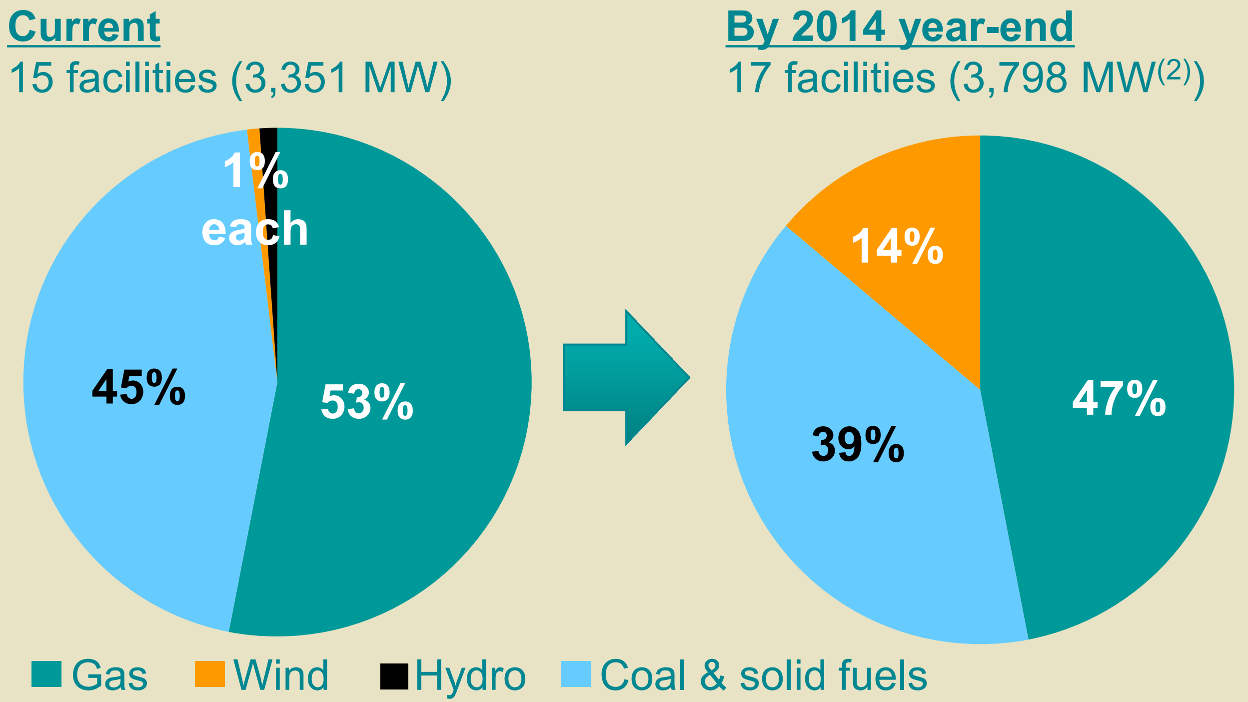
Technology focus[1]

CPC's operations and growth are focused on four fuel sources: natural gas, coal, wind and solar



- Projects in development will increase owned wind capacity to 14% by 2014
- Expect to divest two remaining small hydro plants (40 MW total) by mid-2012

(1) Based on MW owned capacity; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW)
(2) Based on existing plants plus committed development projects and assuming divestiture of small hydro facilities

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Proposed GHG emission regulations for coal-fired plants

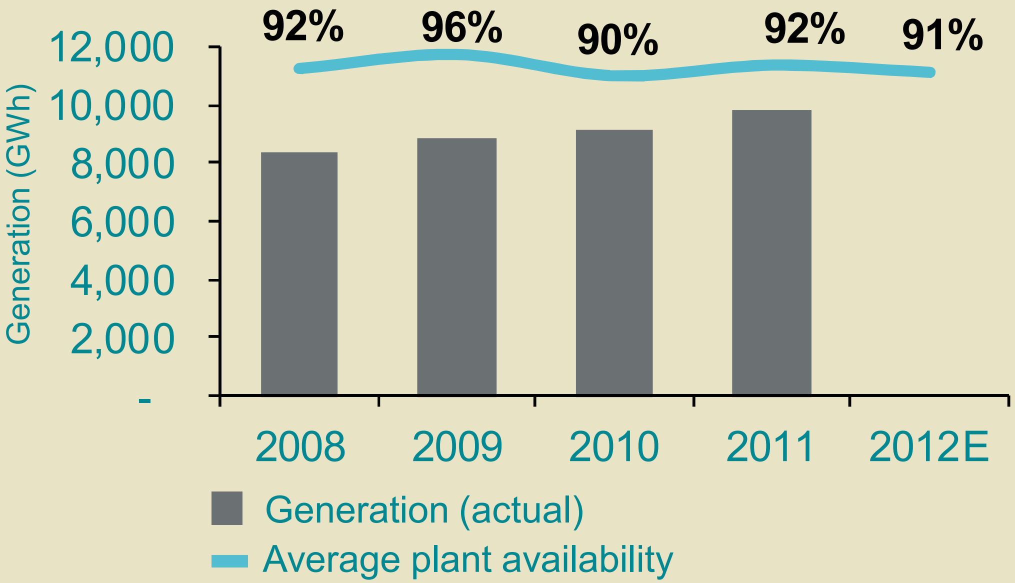
- Government of Canada's proposed plan (published in Q3/11) would apply a new greenhouse gases (GHG) emissions performance standard to new coal-fired electricity generation units
- New performance standard is intended to represent the intensity level of natural gas combined cycle technology
- Economic life expected to be set at the later of 45 years from COD or to the end of the unit's PPA
- Proposed regulations are expected to have little if any impact on the Genesee units and Keephills 3 as the units are already commissioned and the useful lives of these units extends over several decades
  - ~31 years remaining life on Capital Power's coal facilities[(1)]
  - Keephills 3 (COD Sep/11) is the most advanced coal-fired plant ever built in Canada
  - Genesee 3 facility is one of Canada's cleanest coal-fired facilities

(1) Average remaining life weighted by owned capacity as of Mar 1/12

Proven operating excellence

Capital Power has maintained high operating availability over a growing fleet and production volumes

Operating performance



- 4-year average plant availability of ~93%
- Canadian Electricity Association President's Award of Excellence for top-quartile safety performance

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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, the most technologically advanced coal-fired plant ever built in Canada, completed Sep/11 with costs in-line with budget (revised 2009)
  - 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 4 wind projects (487 MW) located in BC, AB and ON with expected commercial operation dates in 2012-14

Growth from 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 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, Feb/10

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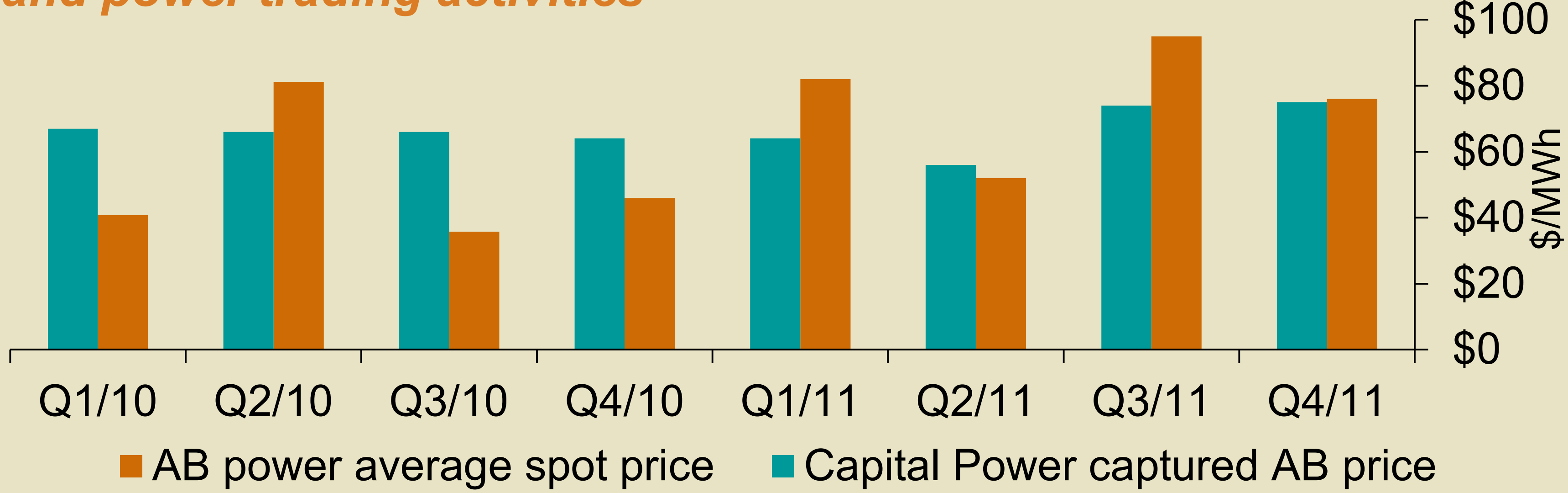
Capturing upside from AB power prices

- Hedging positions based primarily on generation from Genesee 3 and Keephills 3 baseload coal plants and output from the Sundance PPA
- Actively trading (portfolio optimization) throughout various time periods to create incremental value to portfolio

CPX's average realized power price has exceeded spot power prices by ~$2.90/MWh over the past 2 years through forward contract sales and power trading activities



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AB commercial portfolio positions

Lower hedged position in 2012 is expected to result in higher realized prices for the portfolio

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

2012	2013	2014
Hedged positions (% hedged)		
48%	20%	5%
Average hedged prices		
High-$60/MWh	Mid-$60/MWh	Low-$60/MWh

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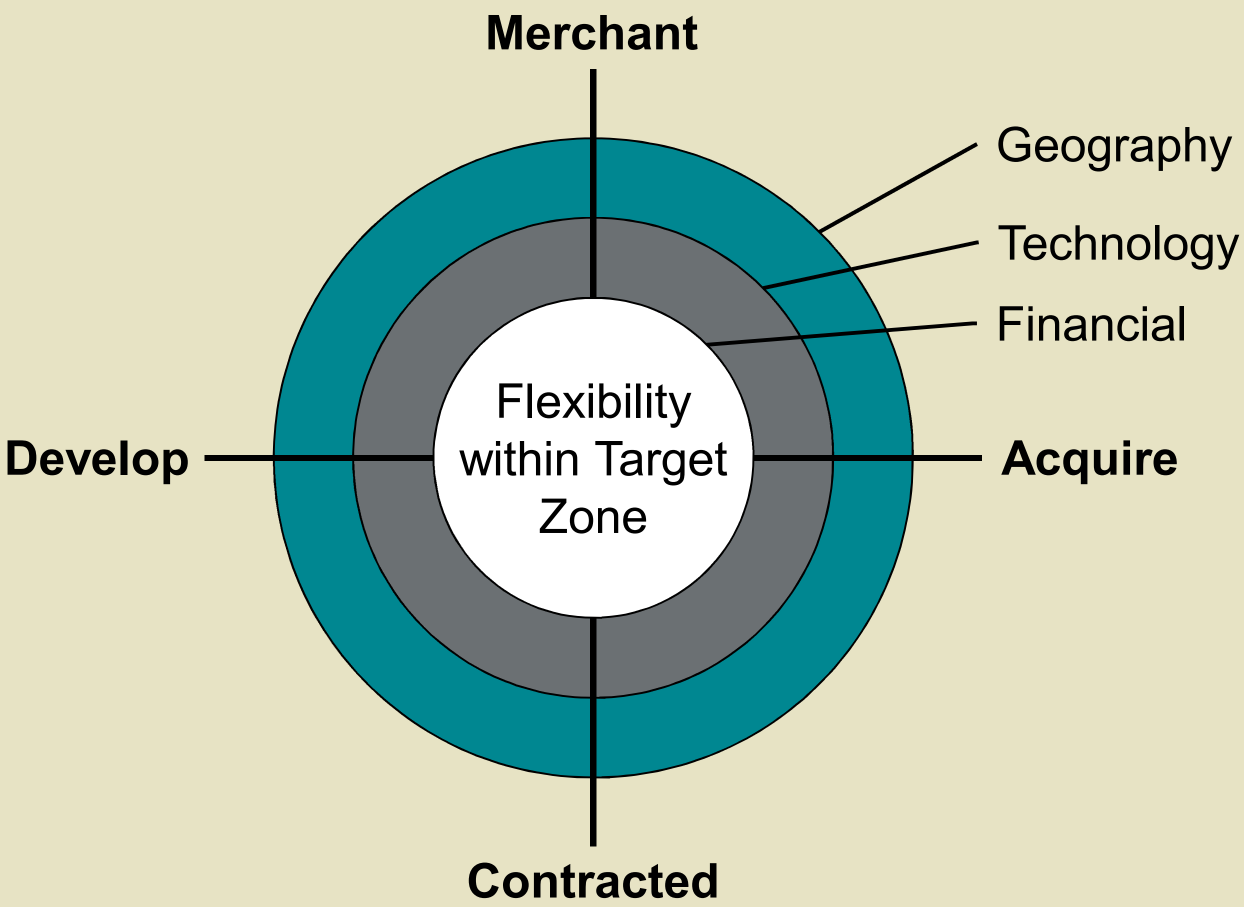
Framework for disciplined growth

Capital Power's strategy drives opportunity evaluation

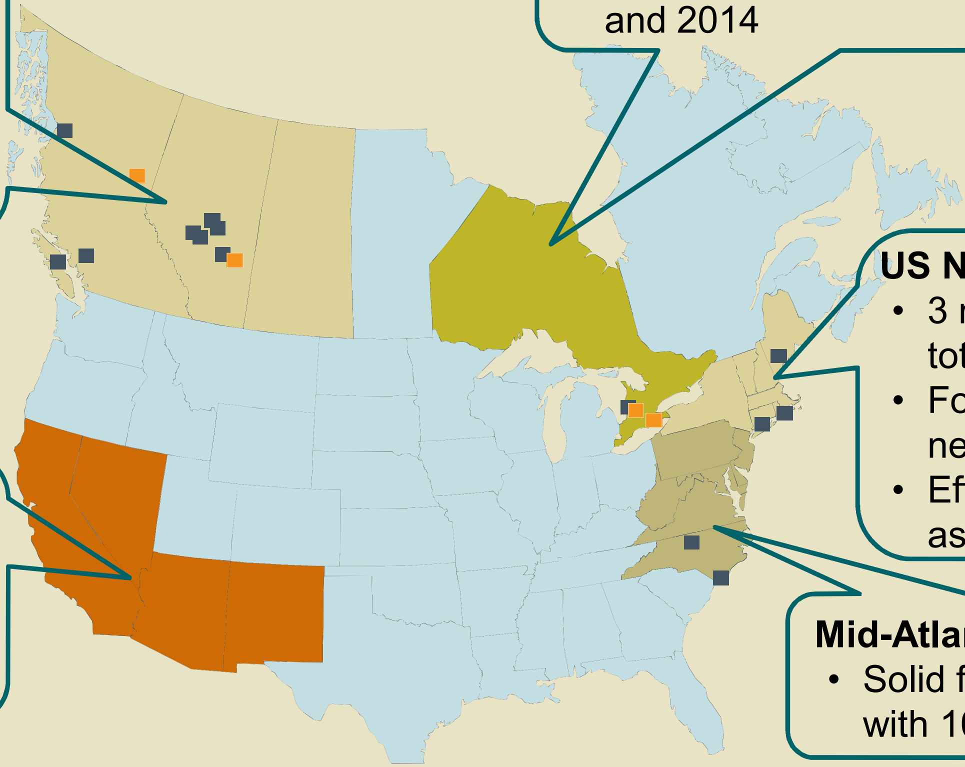


North American footprint & target markets

Ownership interest in 15 facilities with more than 3,300 MW

Western Canada
- 53% of total owned capacity is in attractive AB power market
- 2 wind projects expected COD Q4/12

Ontario
- Target market for contracted assets
- 2 wind projects expected COD in 2013 and 2014



US Northeast
- 3 natural gas plants totaling 1,069 MW
- Form foundation for networked hub
- Efficient, young assets

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

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

■ Plants in operation ■ Plants under construction or development

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Creating value through disciplined growth

Wind developments expected to be significantly accretive

- Four wind projects under development are expected to add ~$0.15/share on an earnings and cash flow basis during the first two years of operations, with associated EBITDA of $150M - $160M
- Construction and engineering work is expected to result in lower capital costs and accelerated schedules for wind projects
- Halkirk and Quality Wind expected COD in Q4/12

Halkirk Wind project

- 150 MW wind project near Halkirk, AB
- $357M budget (including acquisition costs)
- 20 year RECS (California) provide ~40% revenue
- Unique wind regime in the AB market
- Readily accessible to transmission lines

Quality Wind project

- 142 MW wind farm near Tumbler Ridge B.C.
- $455M development cost
- 25-year PPA with BC Hydro

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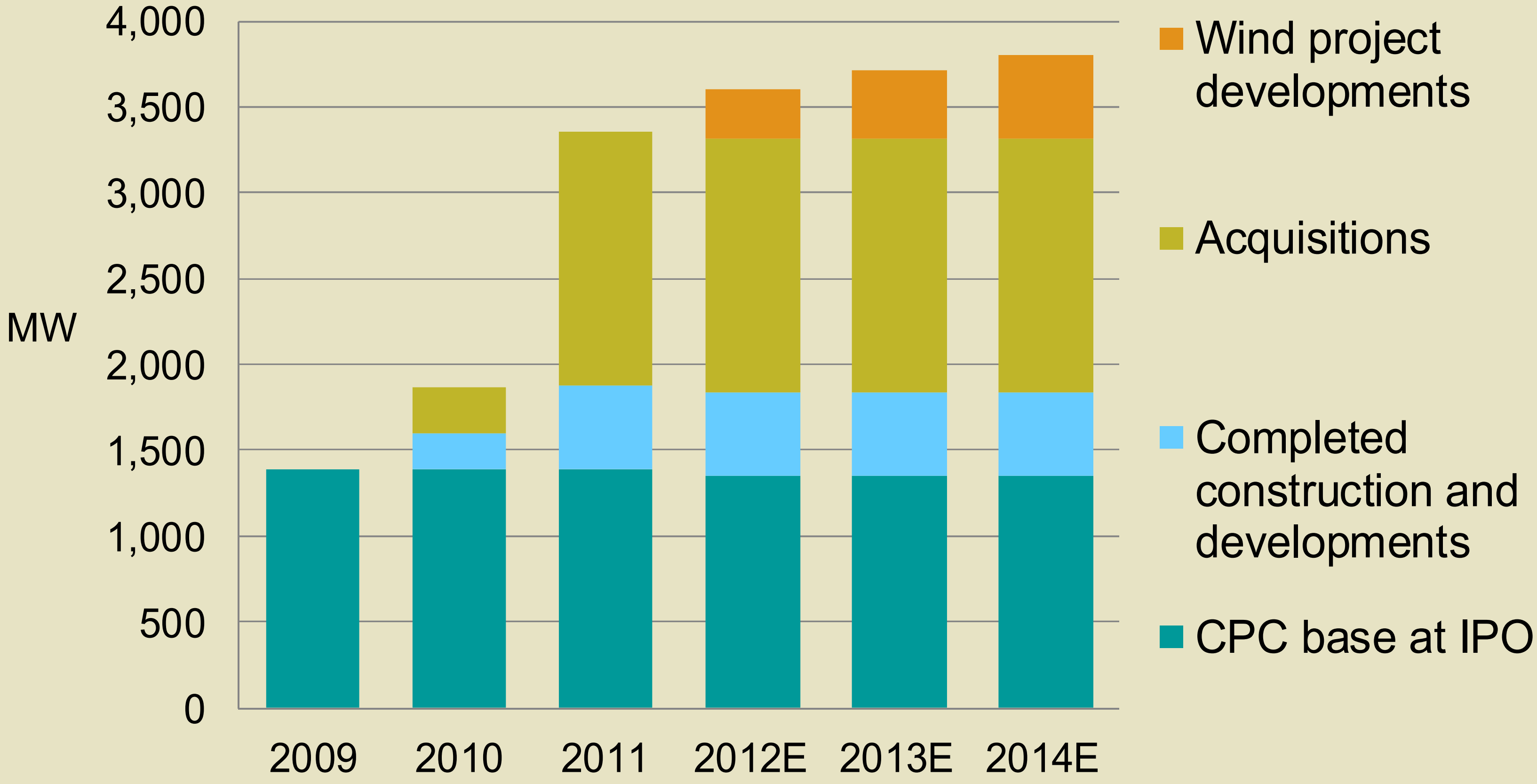
Capital Power's growth[1]

487 MW of committed projects will increase contracted cash flows in 2012-2014



(1) Based on MW capacity owned plus committed projects minus expected divestitures.

Financial strength and access to capital

- Current BBB investment grade credit rating from S&P and DBRS
- $1.15B in debt issues since IPO
- At ~36%, debt to capitalization ratio[1] remains below long-term target zone of 40% - 50%

Public float growth has enhanced liquidity and equity market access

- 2.7x increase in volume of CPX public float shares since IPO
- Average trading volume of ~146K/day[2] has doubled compared to 2010
- ~$1.0B raised in equity markets since IPO; public float now 61% of ownership
- Added to S&P/TSX Composite Index in June 2011
- In 2012, no primary common share equity issuance expected other than DRIP, absent an acquisition
- Development project financing expected to be funded through MTN and preferred share issues

(1) CPILP accounted for on an equity basis, as of Dec 31/12
(2) Trailing 12 months as of Mar 15/12

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Financial performance – 2011

$M, except per share amounts	2011	2010	% Change
Revenues and other income[1]	**$1,842**	$1,809	1.8%
EBITDA[2,3]	**$533**	$444	20%
Earnings per share	**$1.60**	$0.77	108%
Normalized earnings per share[3]	**$1.24**	$1.40	(11%)
Funds from operations[3]	**$433**	$374	16%
Funds from operations excluding non-controlling interests in CPILP[3]	**$352**	$277	27%
Cash flow per share[3]	**$3.89**	$3.53	10%

(1) Before unrealized fair value changes in derivative instruments, natural gas inventory held for trading, and foreign exchange and natural gas contracts.
(2) Earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange losses and gains on acquisitions and disposals.
(3) See Non-GAAP financial measures on slide 30.

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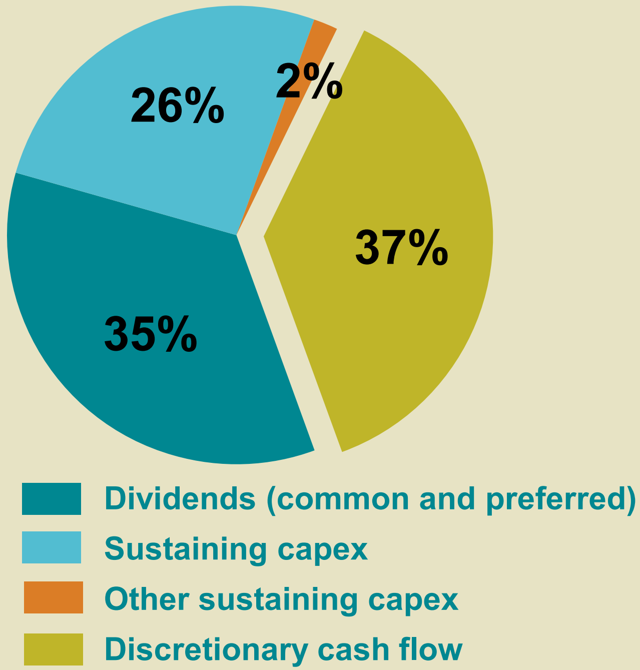
Strong cash flow generation

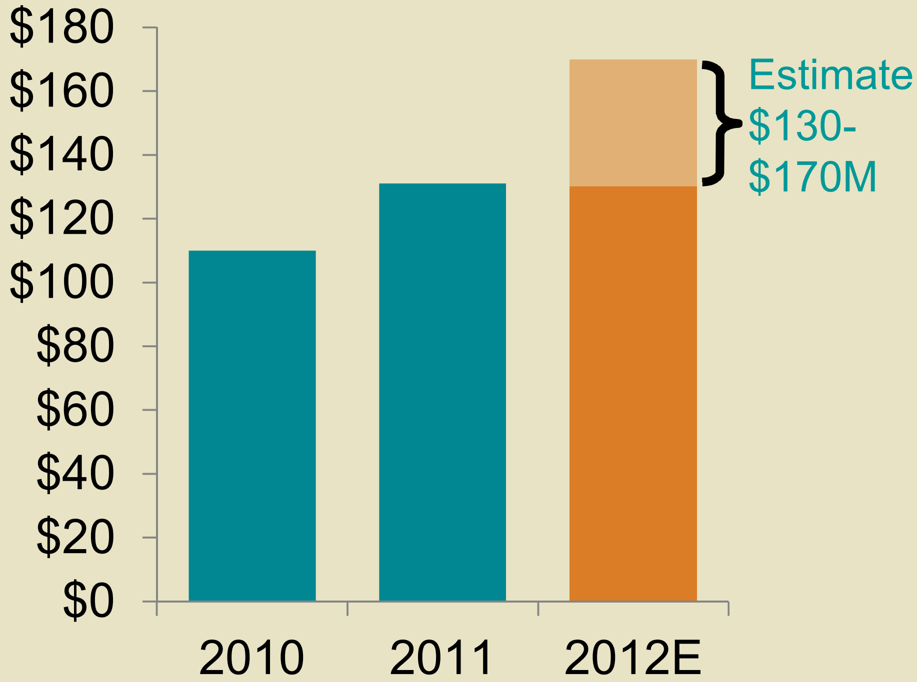
Discretionary cash flow[1] of $131M in 2011, up 19% from $110M in 2010

- Discretionary cash flow represents 37% of Funds from operations[2]
- Keephills 3 will start generating full year cash flows in 2012

2011 FFO excl CPILP[2] of $352M



Discretionary cash flow



(1) Discretionary cash flow is a non-GAAP financial measure, see slide 31.
(2) See Non-GAAP financial measure on slide 30.

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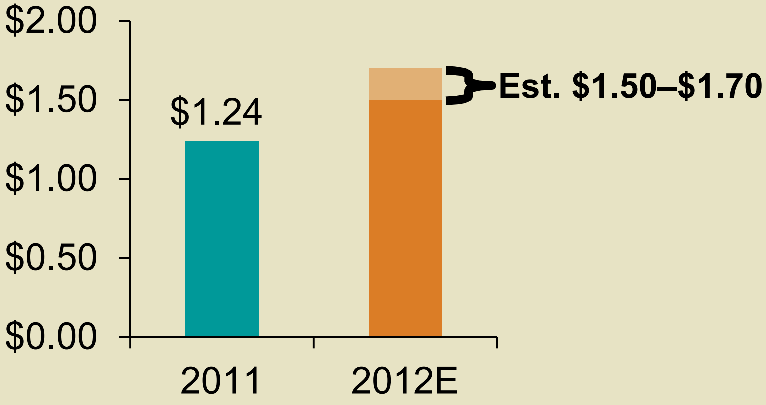
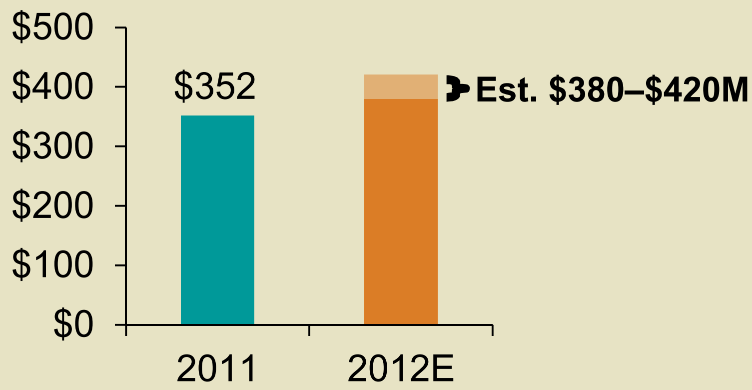
2012 Financial targets[1]

Targeting year-over-year improvements on all major financial targets

Normalized EPS

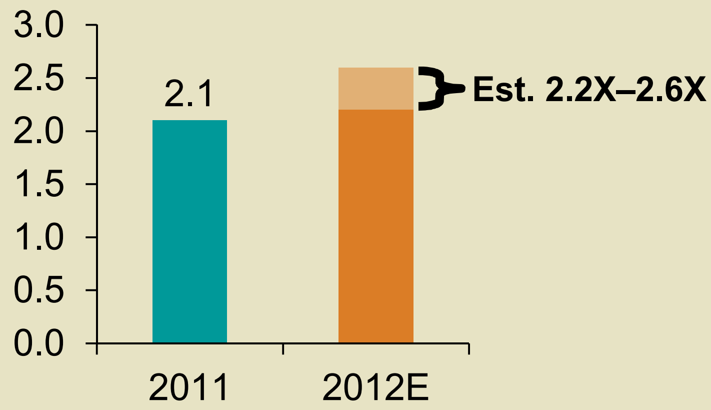


Funds from operations



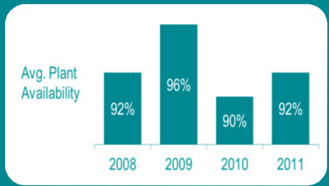
Cash flow per share

Dividend coverage ratio



(1) See Non-GAAP financial measures on slide 30.

Summary



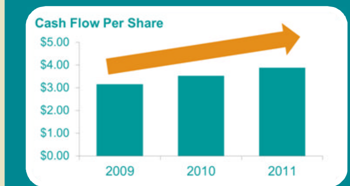
Large, high quality generation portfolio

Young and modern fleet with proven operating history

Diversified portfolio in attractive North American markets

Strong exposure to attractive Alberta power market

Long-term contracts and merchant position provides stable cash flows and upside opportunities



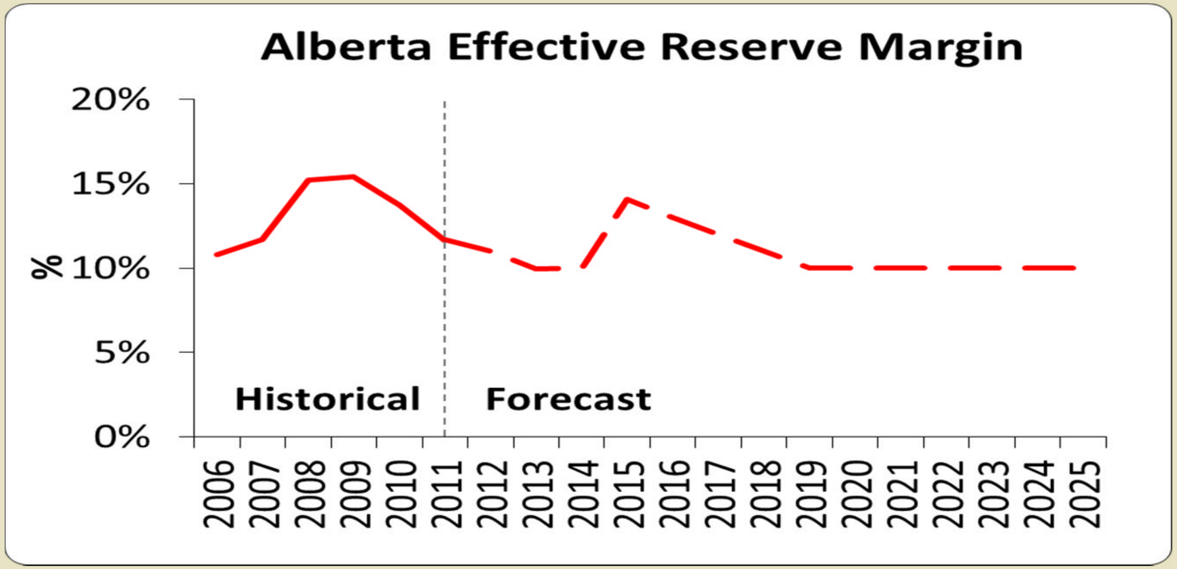
Financial strength with access to capital

Investment grade credit rating

Strong cash flow generation

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 - Fall 2011

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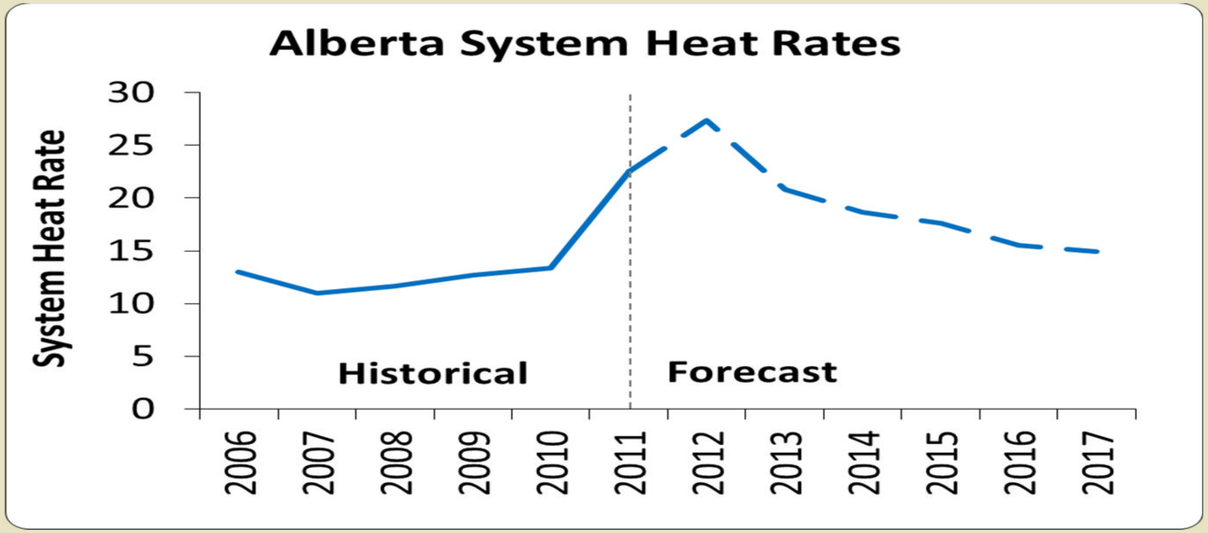
AB system heat rate forecast

- Portfolio bidding keeping prices and system heat rates high
- Alberta expected to grow at above-national average rates due to the impact of oil sands activity
- Capital Stock Turnover expected to drive major coal retirements with upward impact on prices 2015 onwards
- As coal retires, natural gas generation will be increasingly on the margin
- System heat rates declining but still above historical levels



Source: Forward Prices Jan/12

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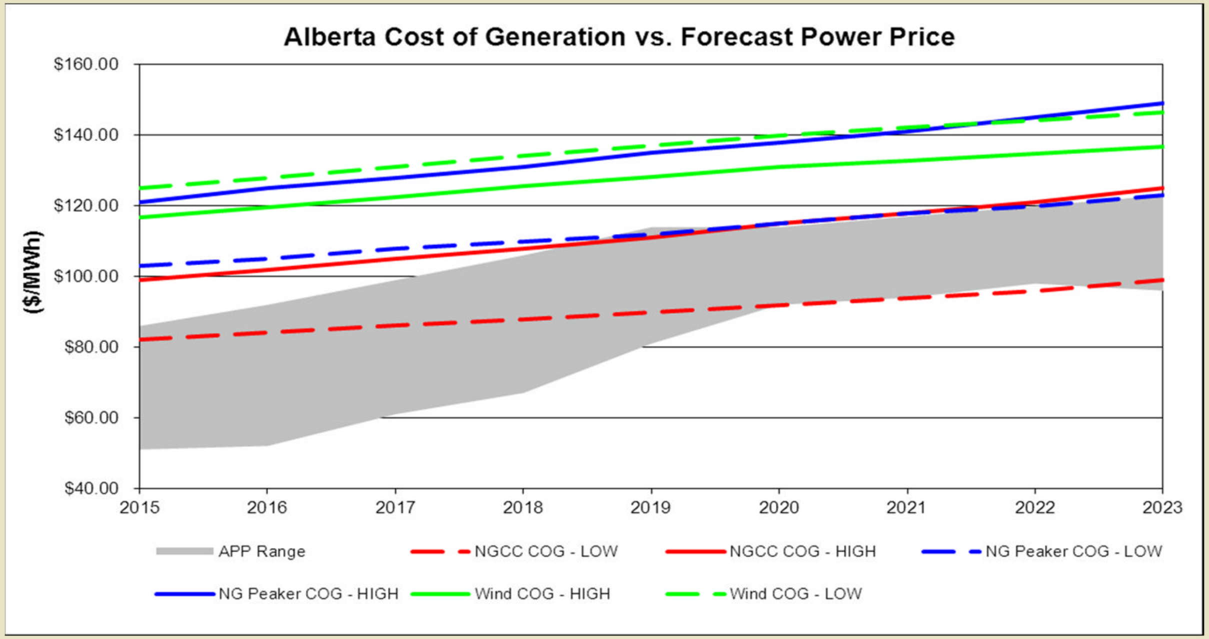
AB cost of generation (COG)

- 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 – Fall 2011

- 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

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AB power market (new builds/retirements)[1]

- 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
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

(1) Internal forecast – Fall 2011

Summary of assets

	Genesee 1	Genesee 2	Genesee 3	Keephills 3	Joffre	Clover Bar Energy Centre	Clover Bar Landfill	Roxboro	Southport
	Alberta Contracted		Alberta Commercial					Mid-Atlantic Contracted	
Electric Capacity	422 MW	430 MW	516 MW	495 MW	480 MW	243 MW	4.8 MW	88 MW	46 MW
% owned / operated	100 / 100	100 / 100	50 / 100	50 / 0	40 / 0	100 / 100	100 / 100	100 / 100	100 / 100
Location	Warburg, Alberta	Warburg, Alberta	Warburg, Alberta	Keephills, Alberta	Joffre, Alberta	Edmonton, Alberta	Edmonton , Alberta	Roxboro, North Carolina	Southport, North Carolina
Fuel	Coal	Coal	Coal	Coal	Natural gas	Natural gas	Landfill gas	Mixture of wood residuals, tire-derived fuel and coal	Mixture of wood residuals, tire-derived fuel and coal
Commercial Operations	1994	1989	2005	2011	2000	Unit 1 - 2008 Unit 2&3 - 2009	2005	1987	1987
PPA Expiry	2020	2020	Merchant	Merchant	Merchant	Merchant	Merchant	2021	2021

Summary of assets (cont'd)

	Kingsbridge 1	Miller Creek	Brown Lake	Island Generation	Tiverton	Rumford	Bridgeport
	Ontario & British Columbia Contracted				US Northeast Commercial		
Electric Capacity	40 MW	33 MW	7 MW	275 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
Location	Goderich, Ontario	Pemberton, BC	Near Prince Rupert, BC	Campbell River, BC	Tiverton, Rhode Island	Rumford, Maine	Bridgeport, Conneticut
Fuel	Wind	Hydro	Hydro	Natural gas	Natural gas	Natural gas	Natural gas
Commercial Operations	2006, 2001	2003	1996	2002	2000	2000	1999
PPA Expiry	2026 / 2027	2023, extendible to 2033 at BCH's option	2016	2022	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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Summary of projects under development

	Halkirk	K2 Wind Ontario	Quality Wind	Port Dover & Nanticoke
	Alberta Commercial & Contracted	Ontario & British Columbia Contracted		
Electric Capacity	150 MW	270 MW	142 MW	105 MW
% owned / operated	100 / 100	33.3% owned	100 / 100	100 / 100
Location	Halkirk, Alberta	In the township of Ashfield-Colborne-Wawanosh, Ontario	Near Tumbler Ridge, BC	Located in an area that covers the counties of Norfolk and Haldimand, Ontario
Fuel	Wind	Wind	Wind	Wind
Expected Commercial Operations	Q4/12	Construction to begin 2013 with COD in 2014	Q4/12	Q4/13
PPA Expiry	~40% - 45% of total revenues from 20-year REC sale agreement / Merchant	20-year PPA with Ontario Power Authority for $135/MWh	25-year EPA from BC Hydro	20-year PPA with Ontario Power Authority for $135/MWh
Expected Capital Cost	$357M, including acquisition costs ($33M)	Expected total project capex of $874M; CPC's expected capex for project is $46M	$455M	$340

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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; 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 Outlook 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.

Non-GAAP financial measures

The Company uses (i) 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 (generally accepted accounting principles) 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 net income, 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 EBITDA to net income, funds from operations and funds from operations excluding non-controlling interests in CPILP to net cash flows from operating activities, normalized earnings attributable to common shareholders to net income attributable to common shareholders, and normalized earnings per share to earnings per share are contained in the Company's Management's Discussion and Analysis dated March 13, 2012 for the year ended December 31, 2011 which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

Discretionary cash flow

The Company uses discretionary cash flow as a measure of the Company's available cash to reinvest into the business after paying sustaining capital expenditures and declared dividends and distributions to common and preferred shares. Discretionary cash flow is not a defined financial measure according to GAAP and does not have standardized meaning prescribed by GAAP, and therefore may not be comparable to similar measures used by other enterprises. This measure should not be considered an alternatives to net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, this measures is provided to complement GAAP measures in the analysis of the Company's results of operations from management's perspective.

A reconciliation of "net cash flows from operating activities" to "funds from operations excluding non-controlling interests in CPILP" is referenced under Non-GAAP Financial Measures in the Company's Management's Discussion and Analysis dated March 13, 2012 for the year ended December 31, 2011 which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

A reconciliation to Funds from operations excluding non-controlling interests in CPILP is as follows:

(unaudited, $millions)	**Year ended December 31**	
	2011	**2010**
Funds from operations excluding non-controlling interests in CPILP	**$ 352**	**$ 277**
CPLP sustaining capital expenditures	(92)	(67)
CPLP's share of CPILP sustaining capital expenditures	(6)	(2)
Funds available for distribution	**$ 254**	**$ 208**
Common share dividends declared	60	30
Distributions to exchangeable common limited partnership unitholders of CPLP declared	57	68
Preferred share dividends declared	6	-
Total dividends and distributions declared	**$ 123**	**$ 98**
Discretionary cash flow	**$ 131**	**$ 110**

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Capital Power Corporation

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