

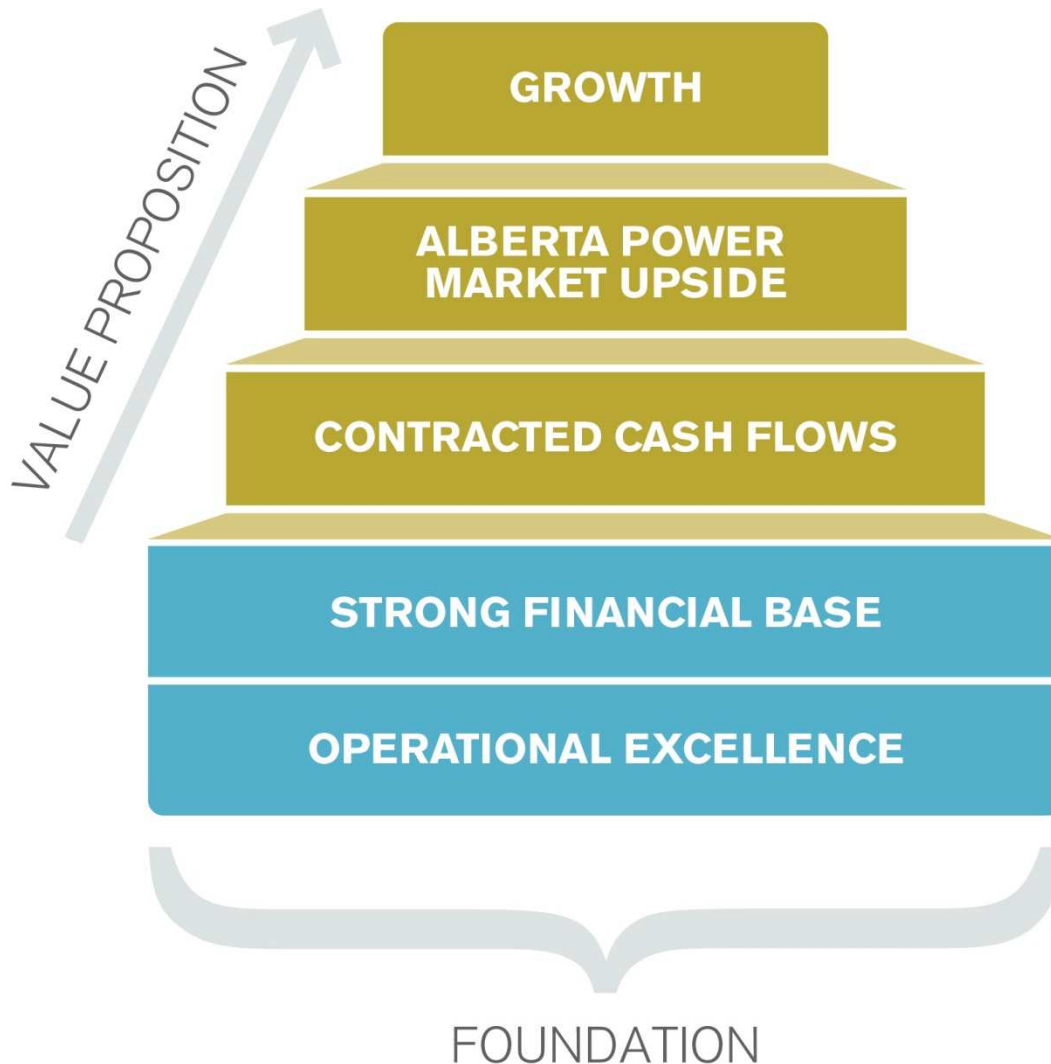
# CAPITAL POWER



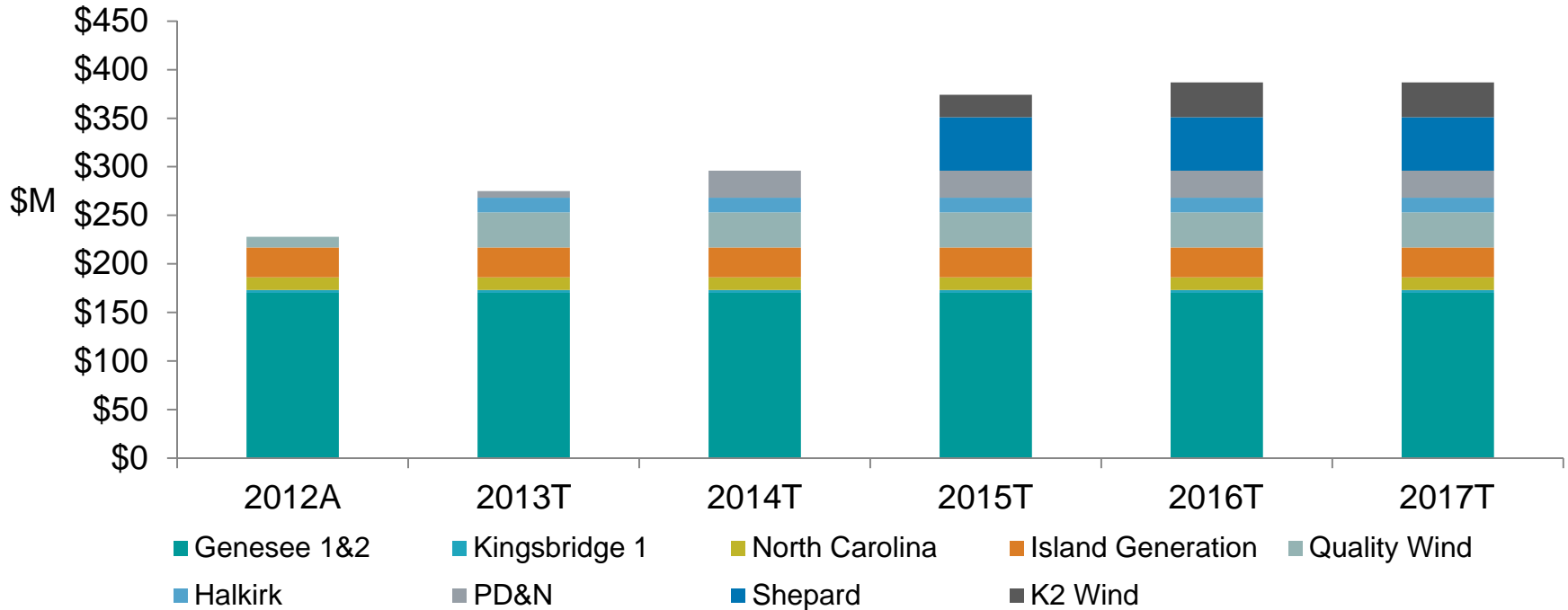
**Brian Vaasjo, President & CEO**  
January 23, 2014



# Capital Power strategy



# Improving contracted cash flow<sup>(1,2)</sup>

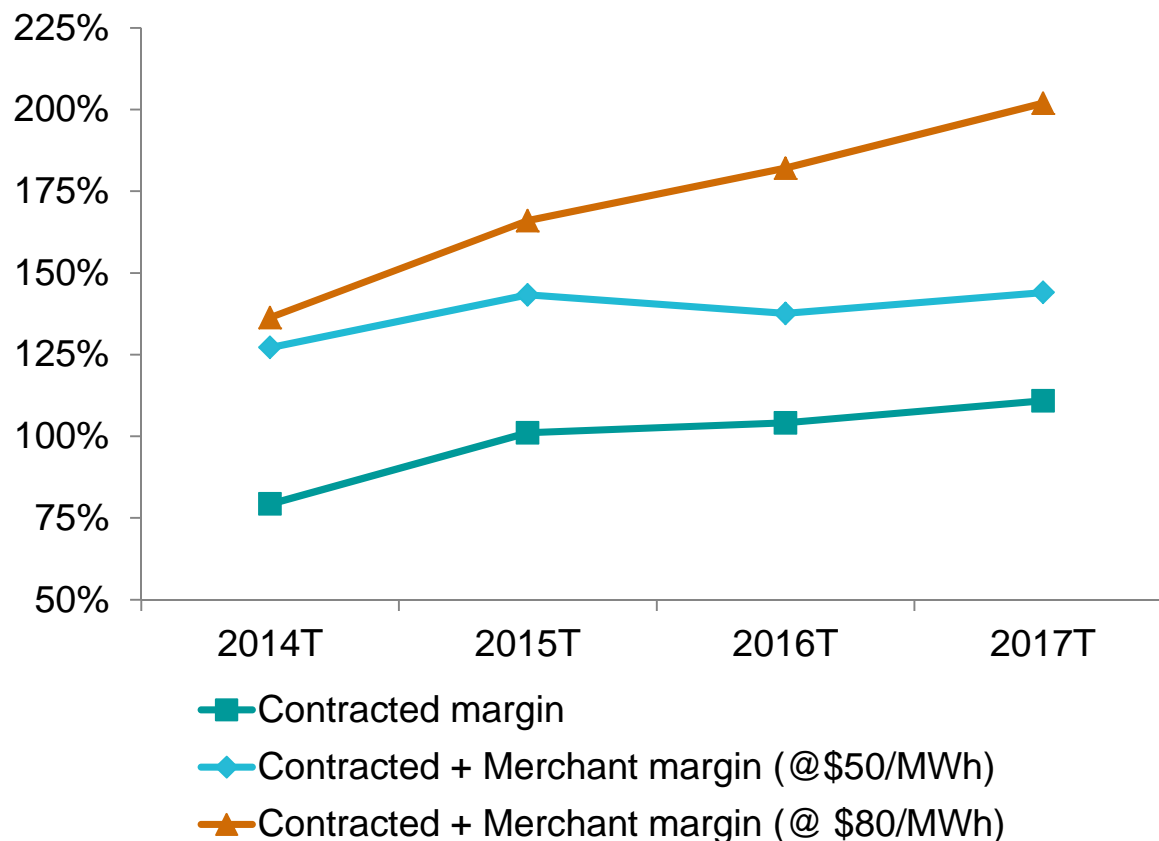


**Substantial expansion of contracted operating margin from ~\$225M to \$375M from 2012 to 2015 (66% increase)**

(1) Margins have been averaged over the periods except in the year of commissioning.  
 (2) Only includes contracted portions of Halkirk and Shepard plants.

# Merchant position in AB provides upside

## Operating margin<sup>(1)</sup> to financial obligations<sup>(2)</sup> and dividends



(1) Merchant margin is calculated using \$50/MWh and \$80/MWh and is based on hedge position as at December 31, 2013.

(2) Based on existing plants plus committed development projects. Financial obligations include interest payments (incl. interest during construction), sustaining capital expenditures and general & administration expenses.

# Forward-looking information

Certain information in this presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating performance, events or strategies. The forward-looking information or statements 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 includes, among other things, information relating to: (i) expectations regarding the finalization of agreements with ENMAX in respect of Genesee 4 & 5 and the timing and provisions thereof; (ii) expectations regarding the timing of, funding of, permitting of, costs for, capacity of and technology selected for existing and planned development projects, completed development projects, and acquisitions; (iii) expectations regarding plant availability and planned outages; (iv) expectations regarding future Alberta power prices; (v) expectations regarding Capital Power's sources of funding and the financing of existing and planned development projects; and (vi) expectations regarding future plant maintenance capital and other capital expenditures, operating and maintenance expenses and funds from operations.

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 and impact of policy, legislation and regulation, and (v) effective tax rates.

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 commodity prices in markets in which the Company operates 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 Management's Discussion and Analysis for further discussion of these and other risks.

# { Investor Relations Contact

Randy Mah  
Senior Manager  
(780) 392-5305  
[rmah@capitalpower.com](mailto:rmah@capitalpower.com)

10<sup>th</sup> Floor  
10423 – 101 Street NW  
Edmonton, AB T5H 0E9  
[www.capitalpower.com](http://www.capitalpower.com)

