

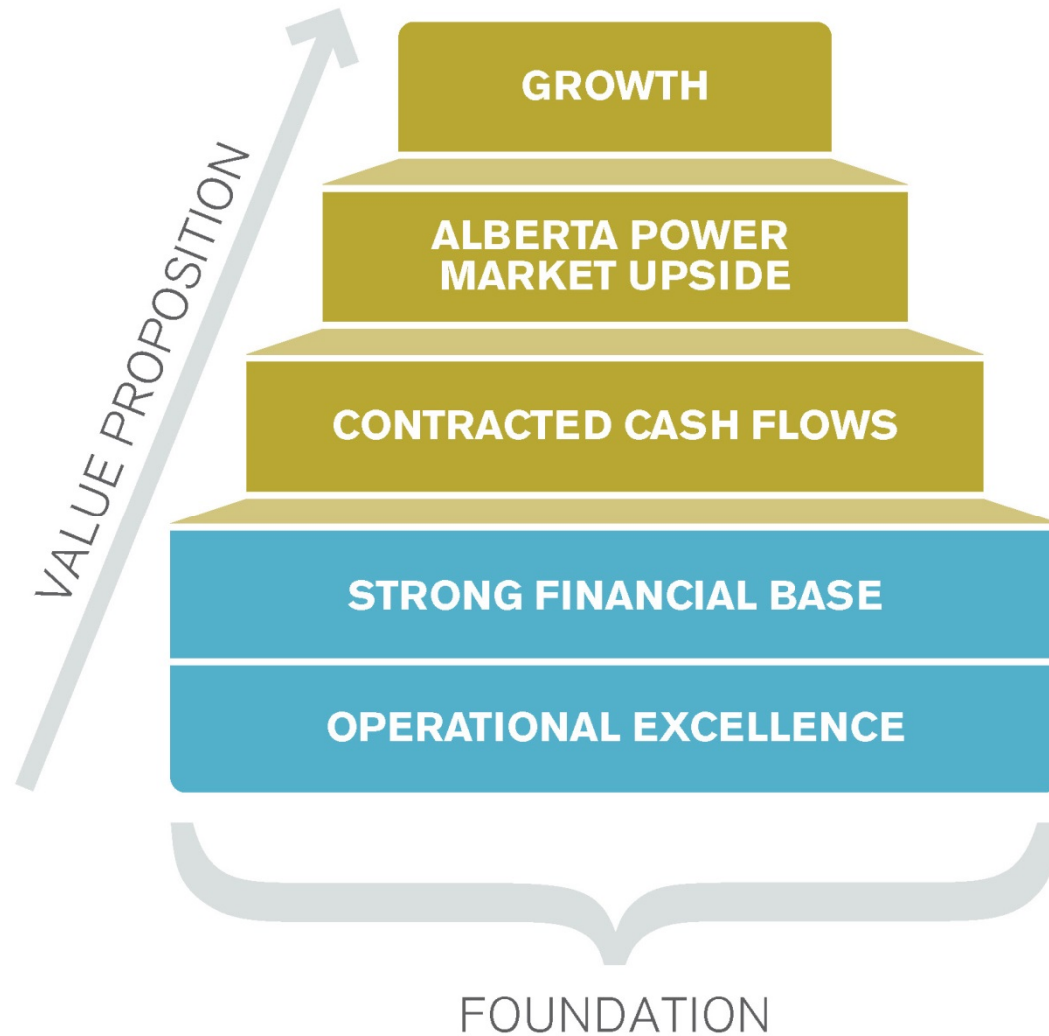
CAPITAL POWER



Brian Vaasjo, President & CEO
January 22, 2015

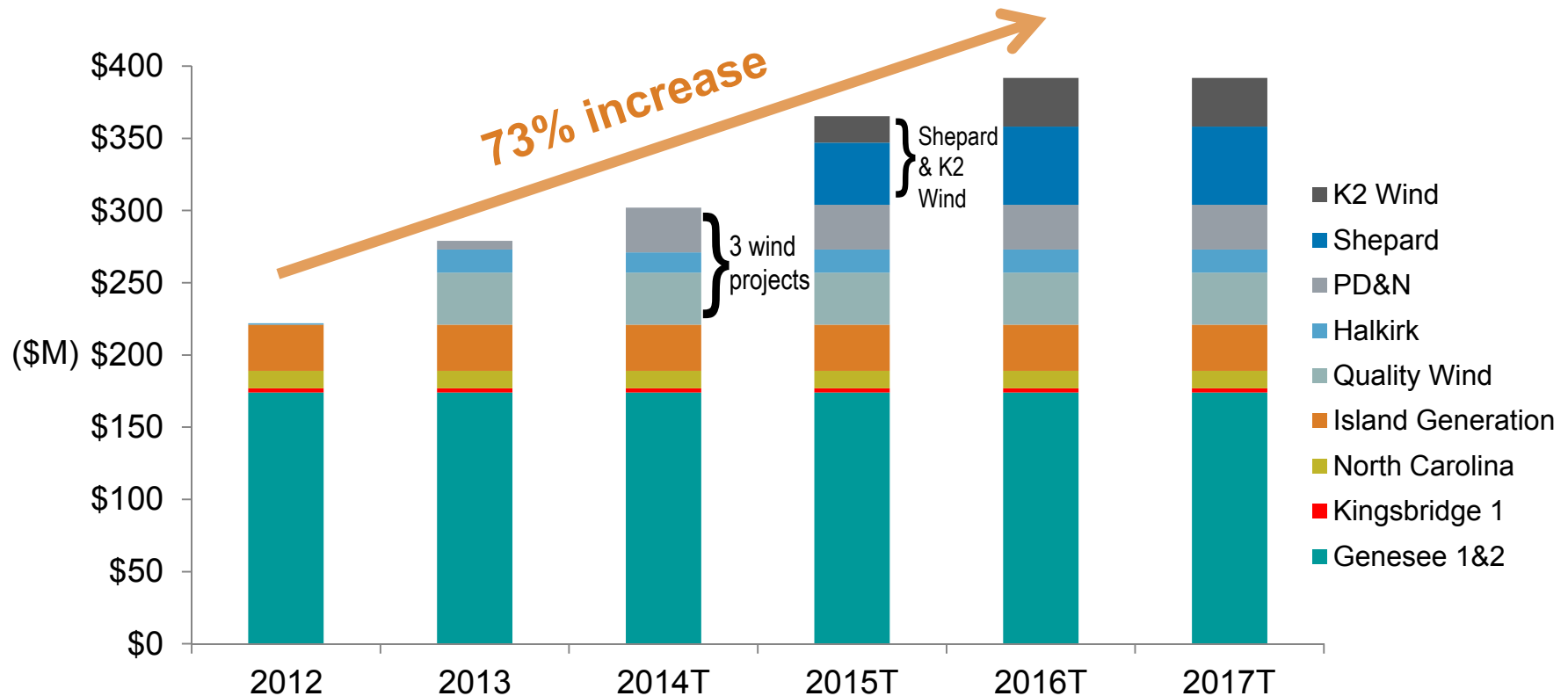


Capital Power's value proposition



Improving contracted cash flow^(1,2)

Substantial expansion in contracted operating margin from 2012 to 2016

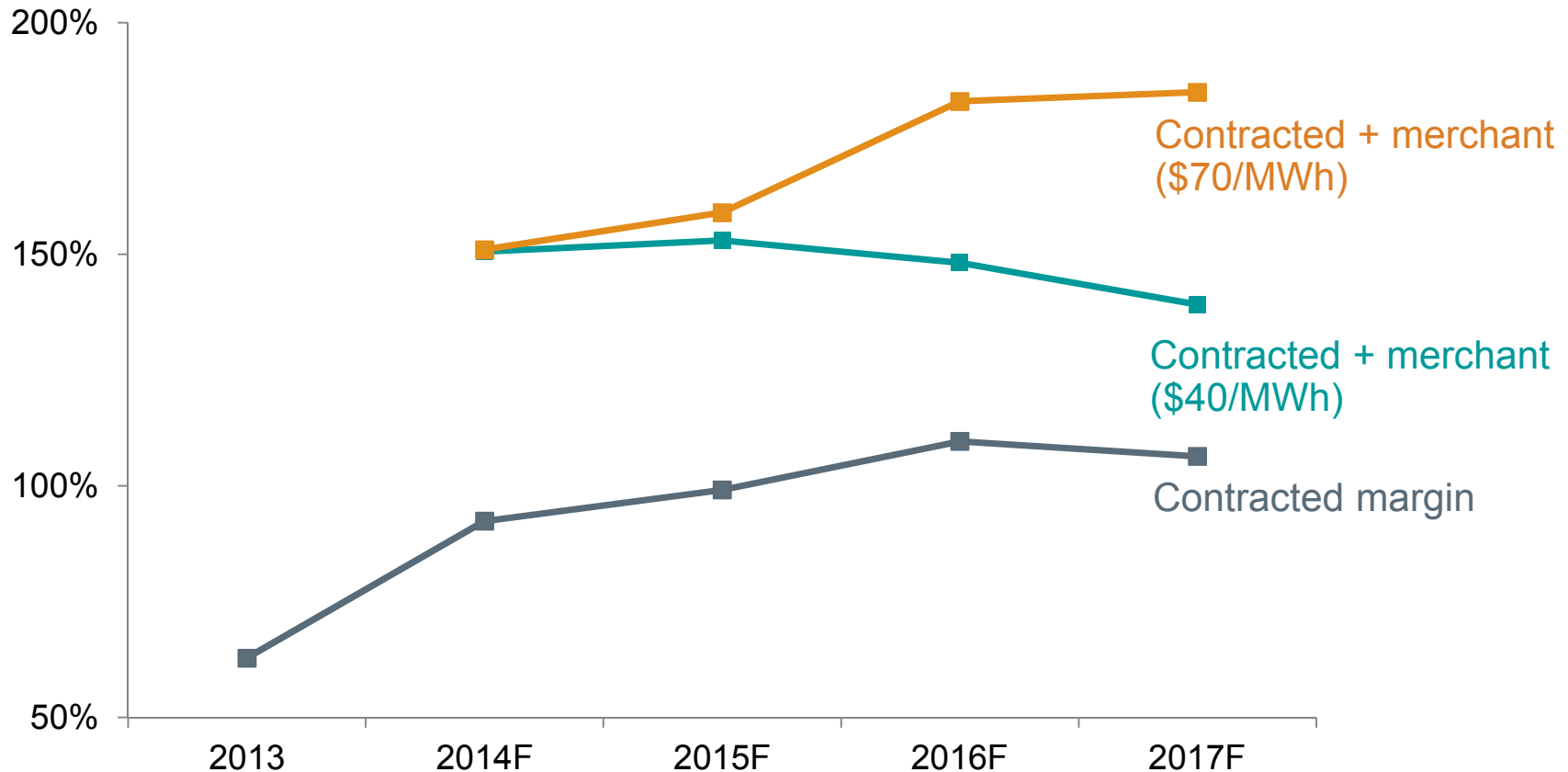


1) Margins have been averaged over the periods except in the year of commissioning.

2) Only includes contracted portions of Halkirk and Shepard plants.

Merchant position in AB provides upside

Operating margin⁽¹⁾ to financial obligations⁽²⁾ and dividends⁽³⁾



1) Merchant margin is calculated using \$40/MWh and \$70/MWh and is based on hedge position as at November 30, 2014 (except for 2014)

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

3) Dividends include common dividends, preferred dividends and CPLP distributions.



Investment highlights

Strong contracted cash flow growth supports annual dividend growth

Operational excellence

- Excellent assets in good markets with solid operating performance
- On-going improvements to operating cost base, fleet availability and risks

Contracted cash flows

- Substantial growth in contracted operating margins expected to fully cover financial obligations & dividends in 2015 and beyond
- Supports consistent annual dividend growth

Alberta power market upside

- Own the best fleet in the best merchant power market in North America
- Well positioned to weather the bottom of the power market cycle; significant % of merchant cash flows hedged in the near-term

Growth

- Genesee 4&5 best positioned to be the next large natural gas-fired generation project to be built in Alberta
- Strong pipeline of contracted growth opportunities in North America



Forward-looking information

Certain information in this presentation and responses to questions 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 Genesee 4 & 5 project moving from the development phase to construction phase 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 sustaining 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 of and impact of policy, legislation and regulations, (v) effective tax rates, and (vi) other matters discussed under the Performance Overview and Outlook sections in the Management's Discussion and Analysis (MD&A) for the third quarter, 2014.

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, 2013 annual MD&A for further discussion of these and other risks.

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Capital Power (TSX: CPX) is a growth-oriented North American power producer headquartered in Edmonton, Alberta. The company develops, acquires, operates and optimizes power generation from a variety of energy sources. Capital Power owns more than 2,700 megawatts of power generation capacity at 15 facilities across North America and owns 371 megawatts of capacity through a power purchase agreement. An additional 490 megawatts of owned generation capacity is under construction in Alberta and Ontario.

