

MATERIAL CHANGE REPORT

1. *Name and Address of the Company:*

Atlantic Power Corporation ("Atlantic")
250 Yonge Street, Suite 2400
Toronto, Ontario M5B 2M6

2. *Date of Material Change:*

September 20, 2006

3. *News Release:*

Attached as Schedule "A" is a copy of the press release relating to the material change issued on September 20, 2006 at Boston, Massachusetts and disseminated in Canada through CCN Matthews.

4. *Summary of Material Change:*

On September 20, 2006, Atlantic announced that it had entered into an agreement to sell to a syndicate of underwriters, on a bought deal basis, Income Participating Securities ("IPSs") at Cdn\$10.55 per IPS for gross proceeds of Cdn\$90 million and Cdn\$60 million aggregate principal amount of 6.25% convertible secured debentures due October 31, 2011 to raise gross proceeds of Cdn\$150 million. The underwriting syndicate is led by BMO Capital Markets and includes National Bank Financial Inc., RBC Capital Markets, Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and Dundee Securities Corporation. Closing of the offerings are expected to occur on or about October 11, 2006, subject to regulatory approval.

5. *Full Description of Material Change:*

For a full description of the material change, please see "Schedule A" attached.

6. *Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:*

Not applicable.

7. *Omitted Information:*

Not Applicable.

8. *Executive Officer:*

For further information, please contact:

Barry Welch
Chief Executive Officer
Atlantic Power Management, LLC, manager
of Atlantic Power Corporation
Telephone: (617) 531-6369

9. *Date of Report:*

September 21, 2006

SCHEDULE "A"



NEWS RELEASE

FOR: **ATLANTIC POWER CORPORATION**

TSX SYMBOL: **ATP.UN**

Atlantic Power Announces Cdn\$150 Million Bought Deal Financing

**Proceeds to be Used to Increase Ownership in Atlantic Holdings and to Partially Repay
Credit Facility Arranged in Connection with the Acquisition of
Trans-Elect NTD Holdings Path 15, LLC**

BOSTON, MASSACHUSETTS – (CNNMatthews – Sept. 20, 2006)

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Atlantic Power Corporation (TSX: ATP.UN) ("Atlantic Power") announced today that it has entered into an agreement to sell to a syndicate of underwriters, on a bought deal basis, Income Participating Securities ("IPSs") at Cdn\$10.55 per IPS for gross proceeds of Cdn\$90 million and Cdn\$60 million aggregate principal amount of 6.25% convertible secured debentures (the "Debentures") due October 31, 2011 to raise gross proceeds of Cdn\$150 million. The underwriting syndicate is led by BMO Capital Markets and includes National Bank Financial Inc., RBC Capital Markets, Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and Dundee Securities Corporation.

The issue of IPSs and Debentures will be offered in all provinces and territories of Canada by means of a short form prospectus. Closing of the offerings are expected to occur on or about October 11, 2006, subject to regulatory approval. The first distribution which purchasers under this offering will be eligible to receive will be payable on or about November 30, 2006 to holders of record on October 31, 2006.

The Debentures will pay interest semi-annually on April 30 and October 31 each year, commencing on April 30, 2007. The Debentures will mature on October 31, 2011 and will be convertible into approximately 80.6452 IPSs per Cdn\$1,000 face amount of Debentures, at any time, at the option of the holder, representing a conversion price of Cdn\$12.40 per IPS.

The net proceeds from the financing will be used by Atlantic Power to: (i) partially repay approximately US\$37 million of the credit facility arranged in connection with the acquisition of Path 15 Project, and (ii) provide proceeds to Atlantic Power Holdings, LLC ("Holdings") to be used by Holdings to redeem a portion of the ownership interests in Holdings held by subsidiaries of ArcLight Energy Partners Funds I and II and another investor. In connection with the closing

of the offering, Atlantic Power will increase its ownership in Holdings from 70.1% to approximately 85%. Holdings indirectly owns interests in 15 power plants and one electric transmission project predominantly located in the United States.

The securities being offered have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the “U.S. Securities Act”), and will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. This release does not constitute an offer for sale of or solicitation of an offer to buy securities in any jurisdiction.

When used in this news release, the words “anticipate”, “expect”, “project”, “believe”, “estimate”, “forecast” and similar expressions are intended to identify forward-looking statements, which include statements relating to the bought deal financing and the use of proceeds thereof. Such statements are subject to certain risks, uncertainties and assumptions which may cause the actual results, performance or achievements of Atlantic Power to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the completion of the financing, which is subject to standard approvals, and the purchase of the securities by the Underwriters, which is subject to customary termination provisions. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this news release represent our expectations as of September 20, 2006 and, accordingly, are subject to change after such date. Except as required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Atlantic Power Corporation:

Atlantic Power Corporation owns interests in a diversified portfolio of fifteen power generation projects and one transmission line located primarily in major markets in the United States. Atlantic Power’s objectives are to sustain and grow its cash distributions over the long term by enhancing the performance of its existing assets and by making accretive acquisitions.

FOR FURTHER INFORMATION PLEASE CONTACT:

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