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:*

   October 11, 2006

3. *News Release:*

   Attached as Schedule "A" is a copy of the press release relating to the material change issued on October 11, 2006 at Boston, Massachusetts and disseminated in Canada through CCN Matthews.

4. *Summary of Material Change:*

   On October 11, 2006, Atlantic announced the successful closing of its previously announced sale of income participating securities ("IPSs") and 6.25% convertible secured debentures ("Debentures") for gross proceeds of Cdn$150 million. The offering consisted of 8,531,000 IPSs sold at a price of Cdn$10.55 per IPS for gross proceeds of Cdn$90 million and Cdn$60 million aggregate principal amount of Debentures. The IPSs and Debentures were sold on a bought deal basis to a syndicate of underwriters led by BMO Capital Markets that included National Bank Financial Inc., RBC Capital Markets, Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and Dundee Securities Corporation.

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:*

   October 18, 2006

SCHEDULE "A"

AtlanticPower Corporation

NEWS RELEASE

FOR: **ATLANTIC POWER CORPORATION**

TSX SYMBOL: **ATP.UN**

Atlantic Power Announces Closing of $150 Million Bought Deal Financing

BOSTON, MASSACHUSETTS – (CCNMatthews – Oct. 11, 2006)

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

Atlantic Power Corporation (TSX: ATP.UN) ("Atlantic Power") today announced the successful closing of its previously announced sale of income participating securities ("IPSs") and 6.25% convertible secured debentures ("Debentures") for gross proceeds of Cdn$150 million. The offering consisted of 8,531,000 IPSs sold at a price of Cdn$10.55 per IPS for gross proceeds of Cdn$90 million and Cdn$60 million aggregate principal amount of Debentures. The IPSs and Debentures were sold on a bought deal basis to a syndicate of underwriters led by BMO Capital Markets that included National Bank Financial Inc., RBC Capital Markets, Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc. and Dundee Securities Corporation.

The first distribution which purchasers of IPSs under the offering are eligible to receive will be payable on or about November 30, 2006 to holders of record on October 31, 2006.

The Debentures pay interest semi-annually on April 30 and October 31 each year, commencing on April 30, 2007. The Debentures mature on October 31, 2011 and are convertible into approximately 80.6452 IPSs per Cdn$1,000 principal amount of Debentures, at any time, at the option of the holder, representing a conversion price of Cdn$12.40 per IPS. The Debentures are listed on the Toronto Stock Exchange under the symbol ATP.DB.

As previously reported, the net proceeds of the offering will be used by Atlantic Power to: (i) partially repay approximately US$37 million of the credit facility arranged in connection with an acquisition of an interest in the Path 15 Project, and (ii) provide proceeds to Atlantic Power Holdings, LLC ("Holdings") that Holdings will use 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 increased its ownership in Holdings from 70.1% to approximately 86%.

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

When used in this news release, the words “will be”, “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, the use of proceeds thereof and the amount and timing of the payment of distributions by Atlantic Power. 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. 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 October 11, 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 15 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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