

Base Shelf Prospectus

This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces and territories of Canada other than Québec that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. Atlantic Power Corporation has filed a registration statement on Form S-3 with the United States Securities and Exchange Commission under the United States Securities Act of 1933, as amended, with respect to these securities. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Atlantic Power Corporation at One Federal Street, Floor 30, Boston, Massachusetts, U.S.A., 02110, telephone 617.977.2400, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

August 17, 2012



Atlantic Power Corporation Cdn\$750,000,000 Common Shares Debt Securities

Atlantic Power Corporation (the “**Company**”) may offer for sale and issue from time to time, in any combination, common shares of the Company (“**Common Shares**”) and debt securities of the Company (“**Debt Securities**”, and together with the Common Shares, the “**Securities**”) up to an aggregate initial offering price of Cdn\$750,000,000 (or its equivalent in U.S. dollars or any other currency or currency unit used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (this “**Prospectus**”), including amendments hereto, remains effective.

The Company has filed a registration statement on Form S-3, as amended (File No. 333-183135) (the “**U.S. Registration Statement**”), with respect to the offerings of the Securities with the United States Securities and Exchange Commission (the “**SEC**”) under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”). The U.S. prospectus contained in the U.S. Registration Statement (the “**U.S. Prospectus**”) is included in and forms a part of this Prospectus.

The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “**Prospectus Supplement**”), and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares being offered, the offering price and any other specific terms; and (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, whether payment on the Debt Securities will be senior or subordinated to the issuer’s other liabilities and obligations, denomination (which may be in U.S. dollars or any other currency or in units based on or relating to foreign currencies), maturity date, interest rate (which may be fixed or variable) or method of determining the interest rates, any conversion or exchange rates attached to the Debt Securities, whether the issuer may redeem the Debt Securities at its option, whether the Debt Securities will be secured by any of the Company’s assets or guaranteed by any other person and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may sell Securities to or through underwriters or dealers purchasing as principals, and may also offer and sell the Securities to one or more purchasers directly or through agents, subject to any exemption from registration requirements, from time to time. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of Securities, and will set forth the method of distribution of such Securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts or other compensation payable to such underwriters, dealers or agents and any other material terms of the plan of distribution. **In connection with any underwritten offering of Securities (unless otherwise specified in the relevant Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.** See “Plan of Distribution”.

The outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “ATP” and on the New York Stock Exchange (the “NYSE”) under the symbol “AT”. The closing price of the Common Shares on the TSX and on the NYSE on August 16, 2012, the last trading day before the date of this Prospectus, was Cdn\$13.86 and US\$14.08, respectively, per Common Share.

There is currently no market through which the Debt Securities may be sold and purchasers may not be able to resell Debt Securities purchased under this Prospectus. This may affect the pricing of the Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities, and the extent of issuer regulation. See “Risk Factors – No Market for Debt Securities”.

The Company’s earnings coverage ratios for the 12-month periods ending December 31, 2011 and June 30, 2012, calculated on the basis of the Company’s financial statements prepared in accordance with United States generally accepted accounting principles and incorporated by reference in this Prospectus, were less than one to one. See “Earnings Coverage Ratios”.

The Company’s registered office is located at 355 Burrard Street, Suite 1900, Vancouver, British Columbia, V6C 2G8 and the Company’s head office is located at One Federal Street, Floor 30, Boston, Massachusetts, U.S.A., 02110.

An investment in the Securities is subject to a number of risks that should be considered by a prospective investor. An investment in the Securities should only be made by persons who can afford the total loss of their investment. See “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” in this Prospectus and “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in the U.S. Prospectus.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in the provinces and territories of Canada. Copies of the documents incorporated in this Prospectus by reference may be obtained on request without charge from the Corporate Secretary of the Company at One Federal Street, Floor 30, Boston, Massachusetts, U.S.A., 02110, telephone 617.977.2400. In addition, copies of the documents incorporated by reference herein may be obtained from the securities commissions or similar authorities in Canada through SEDAR at www.sedar.com.

The following documents of the Company, filed with the securities commissions or similar authorities in the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Company's annual report on Form 10-K for the fiscal year ended December 31, 2011, filed on SEDAR on March 1, 2012;
- (b) amendment no. 1 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 2011, filed on SEDAR on April 5, 2012;
- (c) the consolidated financial statements of the Company as at December 31, 2011 and December 31, 2010 and for the two years ended December 31, 2011, together with the notes thereto and the auditors' reports thereon (the "**Annual Financial Statements**"), filed on SEDAR on March 1, 2012;
- (d) management's discussion and analysis of the financial condition and results of operations of the Company for the year ended December 31, 2011 (the "**Annual MD&A**"), filed on SEDAR on March 1, 2012;
- (e) the quarterly report on Form 10-Q of the Company for the three and six months ended June 30, 2012 and 2011, together with the notes thereto (the "**Q2 Financial Statements**"), filed on SEDAR on August 8, 2012;
- (f) management's discussion and analysis of the financial condition and results of operations of the Company for the three and six months ended June 30, 2012 (the "**Q2 MD&A**"), filed on SEDAR on August 8, 2012;
- (g) the management information circular and proxy statement of the Company dated April 30, 2012, distributed in connection with the annual and special meeting of shareholders held on June 22, 2012, filed on SEDAR on April 30, 2012;
- (h) the business acquisition report dated December 6, 2011 in respect of the acquisition of Capital Power Income L.P. (renamed Atlantic Power Limited Partnership on February 1, 2012, "**CPILP**"), filed on SEDAR on December 6, 2011;
- (i) the management proxy circular and joint proxy statement of the Company and CPILP dated September 28, 2011, distributed in connection with the special meeting of the Company's shareholders held on November 1, 2011 (the "**Joint Proxy Statement**") excluding the fairness opinions contained in Annex "B", Annex "C", Annex "D" and Annex "E" of the Joint Proxy Statement and all references to the fairness opinions contained in the Joint Proxy Statement, filed on SEDAR on October 3, 2011; and
- (j) the material change report dated July 6, 2012 in respect of the pricing of the Company's offerings of 5,567,177 Common Shares and US\$130 million aggregate principal amount of series C convertible unsecured subordinated debentures, filed on SEDAR on July 6, 2012.

Any documents of the type required by section 11.1 of Form 44-101F1 of National Instrument 44-101— *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, if filed by the Company with the securities commissions or similar regulatory authorities in the provinces and territories of Canada in which this Prospectus has been filed subsequent to the date of this Prospectus and prior to the termination of the distribution, shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of

the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form (or annual report on Form 10-K, as applicable) and related annual audited financial statements and the management's discussion and analysis in respect thereof being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form (or annual report on Form 10-K, as applicable), the previous annual audited financial statements, all interim unaudited financial statements and the management's discussion and analysis in respect thereof, material change reports and business acquisition reports filed by the Company prior to the commencement of the Company's fiscal year in which the new annual information form (or annual report on Form 10-K, as applicable) was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon an interim unaudited financial statements and the management's discussion and analysis in respect thereof being filed by the Company with the applicable securities regulatory authorities during the currency of this Prospectus, all interim unaudited financial statements and the management's discussion and analysis in respect thereof filed prior to the new interim unaudited financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new management information circular relating to an annual meeting of shareholders of the Company being filed by the Company with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of any Securities, updated disclosure of earnings interest coverage ratios (if applicable) and any additional or updated information that the Company may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to purchasers of such Securities, together with this Prospectus, and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement, but only for purposes of the offering of such Securities covered by that Prospectus Supplement.

Concurrently with the filing of its preliminary short form base shelf prospectus, the Company applied for an exemption from the requirement to incorporate by reference the fairness opinions contained in Annex "B", Annex "C", Annex "D" and Annex "E" of the Joint Proxy Statement and all references to the fairness opinions contained in the Joint Proxy Statement on the basis that the exempted sections are not relevant. The Company understands that the final receipt issued for this Prospectus is evidence of the relief granted in this regard.

SUPPLEMENTAL CANADIAN DISCLOSURE

In accordance with the requirements of applicable securities laws in each province and territory of Canada other than the province of Québec, the disclosure in the U.S. Prospectus included in this Prospectus is supplemented with the following additional disclosure.

CURRENCY AND EXCHANGE RATE INFORMATION

In this Prospectus, references to "Cdn\$" and "Canadian dollars" are to the lawful currency of Canada and references to "\$", "US\$" and "U.S. dollars" are to the lawful currency of the United States. All dollar amounts herein are in U.S. dollars, unless otherwise stated.

The business of many of the Company's power projects, described under "Our Company" in the U.S. Prospectus (the "**Projects**"), is conducted in major markets in the United States and their revenues and expenses are denominated, earned and incurred primarily in U.S. dollars. The reporting currency used in the Company's financial statements is U.S. dollars. The following table sets forth, for each period indicated, the high and low exchange rates for one U.S. dollar, expressed in Canadian dollars, the average of such exchange rates on the last day of each month during such period and the exchange rate at the end of such period, based on the noon buying rate in Canadian dollars as quoted by the Bank of Canada (the "**Noon Buying Rate**"). On August 16, 2012, the Noon Buying Rate was US\$1.00 = Cdn\$0.9881.

	Six Months Ended June 30		Twelve Months Ended December 31		
	2012	2011	2011	2010	2009
High	Cdn\$1.0418	Cdn\$1.0022	Cdn\$1.0604	Cdn\$1.0778	Cdn\$1.3000
Low	Cdn\$0.9807	Cdn\$0.9486	Cdn\$0.9449	Cdn\$0.9946	Cdn\$1.0292
Average	Cdn\$1.0057	Cdn\$0.9767	Cdn\$0.9891	Cdn\$1.0299	Cdn\$1.1420
Period End	Cdn\$1.0191	Cdn\$0.9643	Cdn\$1.0170	Cdn\$0.9946	Cdn\$1.0466

Source: Bank of Canada

NOTICE TO INVESTORS REGARDING GAAP

The Company prepares its financial statements in accordance with United States generally accepted accounting principles (“**U.S. GAAP**”). The Annual Financial Statements and the corresponding Annual MD&A, and the Q2 Financial Statements and the corresponding Q2 MD&A, incorporated by reference in this Prospectus, have been prepared in accordance with U.S. GAAP, which differ in certain material respects from Canadian GAAP.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Prospectus and the documents incorporated by reference herein may constitute “forward looking information”, as such term is used in applicable Canadian securities legislation, about the Company including its financial condition, results of operations, business strategies, operating efficiencies, synergies, revenue enhancements, competitive positions, plans and objectives of management and growth opportunities of the Company, various matters with respect to the markets for Common Shares and Debt Securities and other matters. Prospective investors should also refer to “Cautionary Note Regarding Forward-Looking Statements” in the U.S. Prospectus for further detail on such forward-looking information and statements.

Material factors or assumptions that were applied in providing forward-looking information, include, but are not limited to the Company’s future growth potential, its results of operations, future cash flows, the continued performance and business prospects and opportunities of the Company and the Projects, third party projections of regional fuel and electric capacity and energy prices, the completion of certain transactions, the Company’s ability to continue to develop and grow, the Company’s future levels of indebtedness, and the tax laws as currently in effect remaining unchanged and the current general regulatory environment and economic conditions remaining unchanged.

Forward-looking information contained in this Prospectus reflects management’s current expectations regarding future events and operating performance, and speaks only as of the date of this Prospectus. Such forward-looking information is based on currently available competitive, financial and economic data and operating plans and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Recent events in global financial and credit markets have resulted in abnormally high market volatility and a level of uncertainty not seen in decades. Such uncertainty may continue to impact the global, North American and Canadian economies in unpredictable ways and may impact the results of the Company in a manner which is currently impossible to ascertain. Many other factors could also cause the Company’s actual results, performance or achievements to vary from those expressed or inferred herein, including without limitation, the amount of distributions expected to be received from the Company’s projects, the ability of the Company to generate sufficient amounts of cash and cash equivalents to maintain its operations and meet obligations as they become due, the expected use of proceeds from offerings of the Company’s securities, the impact of legislative, regulatory, competitive and technological changes, expectations regarding completion of construction of certain projects and the other risk factors under the heading “Risk Factors” in this Prospectus, under the heading “Risk Factors” in the U.S. Prospectus and other risk factors relating to the Company and the power industry, as detailed from time to time in the Company’s filings with the SEC and the Canadian Securities Administrators, including, without limitation, the Company’s annual report on Form 10-K, as amended, and any subsequent quarterly reports on Form 10-Q. Many of these risks and uncertainties could affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company or on its behalf. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and management’s course of action would depend upon its assessment of the future considering all information then available.

Should any risk factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Unless otherwise indicated, forward-looking information does not take into account the effect that transactions or non-recurring or other special items announced or occurring after the date it is provided may have on the business of the Company. All of the forward-looking information reflected in this Prospectus and the documents incorporated by reference herein are qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company. Prospective investors should carefully consider the information contained under the heading “Risk factors” in the U.S. Prospectus and other information included in this Prospectus and any applicable Prospectus Supplement before making investment decisions with regard to any Securities. Forward-looking information is provided and forward-looking statements are made as of the date of this Prospectus and except as may be required by applicable law, the Company disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise.

PRIOR SALES

On October 19, 2011, the Company completed an offering of 12,650,000 Common Shares, including 1,650,000 Common Shares issued pursuant to the exercise in full of the underwriters’ over-allotment option, at a price of US\$13.00 per Common Share sold in U.S. dollars and Cdn\$13.26 per Common Share sold in Canadian dollars, for aggregate gross proceeds of approximately Cdn\$168 million.

On November 4, 2011, the Company completed a private offering of US\$460.0 million aggregate principal amount of senior notes due November 15, 2018 with a coupon of 9.0%, at an issue price of 97.471% (the “**High Yield Notes**”).

On February 29, 2012, the Company issued 154,461 Common Shares in connection with the vesting of notional units previously granted under the Company’s long term incentive plan.

On July 5, 2012, the Company completed an offering of 5,567,177 Common Shares at a price of US\$12.76 per Common Share sold in U.S. dollars and Cdn\$13.10 per Common Share sold in Canadian dollars, for net proceeds, after deducting the underwriting discounts and expenses, of approximately US\$68.5 million.

On July 5, 2012, the Company completed an offering of US\$130 million aggregate principal amount of series C convertible unsecured subordinated debentures at a public offering price of US\$1,000 per debenture. The debentures bear interest at a rate of 5.75% per year, and mature on June 30, 2019, unless earlier redeemed. The debentures are convertible into Common Shares at an initial conversion price of US\$17.25 per Common Share, being a ratio of approximately 57.9710 Common Shares per US\$1,000 principal amount of debentures. The Company received net proceeds from such offering, after deducting the underwriting discounts and expenses, of approximately US\$124.0 million.

During the 12-month period before the date of this Prospectus, the Company issued a total of 381,152 Common Shares on conversion of 2009 Debentures (as defined herein) at a conversion price of Cdn\$13.00 per Common Share in accordance with the terms of the indenture governing such 2009 Debentures and a total of 32,660 Common Shares on conversion of 2006 Debentures (as defined herein) at a conversion price of Cdn\$12.40 per Common Share in accordance with the terms of the indenture governing the 2006 Debentures. Details of such issuances are set out below.

Date	Price Per Common Share	Number of Common Shares	Reasons for Issuance
8/8/2011	Cdn\$13.00	1,538	Conversion of 2009 Debentures
8/29/2011	Cdn\$12.40	21,451	Conversion of 2006 Debentures
8/31/2011	Cdn\$12.40	2,016	Conversion of 2006 Debentures
8/31/2011	Cdn\$13.00	769	Conversion of 2009 Debentures
9/28/2011	Cdn\$12.40	8,145	Conversion of 2006 Debentures
10/13/2011	Cdn\$13.00	171,153	Conversion of 2009 Debentures
10/17/2011	Cdn\$13.00	153,846	Conversion of 2009 Debentures
10/19/2011	Cdn\$13.00	1,923	Conversion of 2009 Debentures
12/28/2011	Cdn\$13.00	51,923	Conversion of 2009 Debentures
5/14/2012	Cdn\$12.40	1,048	Conversion of 2006 Debentures

TRADING PRICE AND VOLUME

The Common Shares began trading on the TSX on December 2, 2009, under the trading symbol “ATP” and on the NYSE on July 23, 2010 under the trading symbol “AT”. The following tables show the monthly range of high and low prices per Common Share and the total volume of Common Shares traded on the TSX and the NYSE during the 12-month period before the date of this Prospectus. On August 16, 2012, being the last day on which the Common Shares traded prior to the date of this Prospectus, the closing price of the Common Shares on the TSX and on the NYSE was Cdn\$13.86 and US\$14.08, respectively.

TSX Date	High	Low	Volume
August 2011	Cdn\$15.38	Cdn\$12.92	3,643,938
September 2011.....	Cdn\$15.15	Cdn\$14.02	2,593,305
October 2011	Cdn\$14.94	Cdn\$13.37	7,904,648
November 2011	Cdn\$14.17	Cdn\$13.09	11,121,050
December 2011.....	Cdn\$14.65	Cdn\$13.15	5,584,145
January 2012	Cdn\$14.94	Cdn\$14.40	3,902,705
February 2012	Cdn\$15.11	Cdn\$14.22	4,460,563
March 2012	Cdn\$14.40	Cdn\$13.60	4,521,696
April 2012	Cdn\$14.15	Cdn\$13.47	2,340,115
May 2012.....	Cdn\$14.27	Cdn\$13.77	3,760,179
June 2012.....	Cdn\$14.03	Cdn\$12.88	4,361,206
July 2012	Cdn\$13.92	Cdn\$13.19	2,417,265
August 1 – 16, 2012	Cdn\$13.90	Cdn\$13.52	1,009,257

NYSE Date	High	Low	Volume
August 2011	US\$16.28	US\$13.12	11,733,063
September 2011.....	US\$15.50	US\$13.59	6,930,400
October 2011	US\$14.47	US\$12.97	20,833,039
November 2011	US\$13.99	US\$12.52	13,009,988
December 2011.....	US\$14.55	US\$12.85	13,504,150
January 2012	US\$14.90	US\$14.05	7,397,788
February 2012	US\$15.22	US\$14.40	8,132,638
March 2012	US\$14.61	US\$13.57	9,989,744
April 2012	US\$14.34	US\$13.42	7,006,667
May 2012.....	US\$14.49	US\$13.30	7,453,015
June 2012.....	US\$13.74	US\$12.55	16,289,740
July 2012	US\$13.74	US\$12.85	6,155,891
August 1 - 16, 2012	US\$14.08	US\$13.45	4,882,065

The 6.50% convertible secured debentures of the Company due October 31, 2014 (the “**2006 Debentures**”) issued pursuant to the trust indenture dated as of October 11, 2006 between the Company and Computershare Trust Company of Canada (the “**Debenture Trustee**”), as supplemented by a first supplemental indenture dated as of November 27, 2009 were listed for trading on the TSX on October 11, 2006, under the trading symbol “ATP.DB”. The following table shows the range of high and low prices per Cdn\$100 principal amount of 2006 Debentures and total monthly volumes traded on the TSX during the 12-month period before the date of this Prospectus. On August 16, 2012, being the last day on which the 2006 Debentures traded prior to the date of this Prospectus, the closing price of the 2006 Debentures on the TSX was Cdn\$112.29.

Date	High	Low	Volume
August 2011	Cdn\$122.31	Cdn\$108.58	7,530
September 2011.....	Cdn\$121.93	Cdn\$116.00	5,620
October 2011	Cdn\$119.00	Cdn\$109.15	18,940
November 2011	Cdn\$113.46	Cdn\$108.01	12,500
December 2011.....	Cdn\$118.50	Cdn\$109.00	6,370
January 2012	Cdn\$120.42	Cdn\$119.00	5,510
February 2012	Cdn\$121.97	Cdn\$116.75	4,190
March 2012	Cdn\$117.00	Cdn\$111.50	2,330
April 2012	Cdn\$113.65	Cdn\$111.65	13,400

Date	High	Low	Volume
May 2012.....	Cdn\$115.50	Cdn\$113.58	1,540
June 2012.....	Cdn\$113.44	Cdn\$107.01	4,560
July 2012	Cdn\$112.70	Cdn\$108.25	2,040
August 1 - 16, 2012	Cdn\$112.29	Cdn\$110.89	500

The 6.25% convertible unsecured subordinated debentures of the Company due March 15, 2017 (the “**2009 Debentures**”) issued pursuant to the trust indenture dated as of December 17, 2009 between the Company and the Debenture Trustee were listed for trading on the TSX on December 17, 2009, under the trading symbol “ATP.DB.A”. The following table shows the monthly range of high and low prices per Cdn\$100 principal amount of 2009 Debentures and total monthly volumes traded on the TSX during the 12-month period before the date of this Prospectus. On August 16, 2012, being the last day on which the 2009 Debentures traded prior to the date of this Prospectus, the closing price of the 2009 Debentures on the TSX was Cdn\$109.99.

Date	High	Low	Volume
August 2011	Cdn\$118.18	Cdn\$106.85	5,950
September 2011.....	Cdn\$117.50	Cdn\$110.47	16,210
October 2011	Cdn\$114.57	Cdn\$105.41	9,970
November 2011	Cdn\$110.07	Cdn\$104.74	4,910
December 2011.....	Cdn\$114.16	Cdn\$106.30	3,680
January 2012	Cdn\$116.76	Cdn\$112.19	6,980
February 2012	Cdn\$117.90	Cdn\$112.14	25,280
March 2012	Cdn\$113.08	Cdn\$108.47	5,180
April 2012	Cdn\$111.84	Cdn\$107.66	6,920
May 2012.....	Cdn\$112.83	Cdn\$109.22	49,580
June 2012.....	Cdn\$110.88	Cdn\$104.50	1,590
July 2012	Cdn\$111.85	Cdn\$107.00	1,910
August 1 - 16, 2012	Cdn\$110.49	Cdn\$109.00	1,210

The 5.60% convertible unsecured subordinated debentures of the Company due June 30, 2017 (the “**2010 Debentures**”) issued pursuant to the trust indenture dated as of December 17, 2009 between the Company and the Debenture Trustee, as supplemented by the first supplemental indenture dated October 20, 2010, were listed for trading on the TSX on October 20, 2010, under the trading symbol “ATP.DB.B”. The following table shows the monthly range of high and low prices per Cdn\$100 principal amount of 2010 Debentures and total monthly volumes traded on the TSX during the 12-month period before the date of this Prospectus. On August 16, 2012, being the last day on which the 2010 Debentures traded prior to the date of this Prospectus, the closing price of the 2010 Debentures on the TSX was Cdn\$103.40.

Date	High	Low	Volume
August 2011	Cdn\$103.00	Cdn\$99.75	10,900
September 2011.....	Cdn\$102.00	Cdn\$99.60	17,420
October 2011	Cdn\$102.00	Cdn\$95.00	15,770
November 2011	Cdn\$100.50	Cdn\$97.00	18,490
December 2011.....	Cdn\$101.50	Cdn\$99.75	33,470
January 2012	Cdn\$109.88	Cdn\$102.00	15,890
February 2012	Cdn\$105.81	Cdn\$102.50	6,970
March 2012	Cdn\$104.57	Cdn\$102.00	8,330
April 2012	Cdn\$103.00	Cdn\$101.01	15,410
May 2012.....	Cdn\$102.85	Cdn\$101.70	13,100
June 2012.....	Cdn\$103.39	Cdn\$101.99	8,490
July 2012	Cdn\$104.00	Cdn\$102.25	9,831
August 1 - 16, 2012	Cdn\$103.90	Cdn\$103.10	4,120

The 5.75% convertible unsecured subordinated debentures of the Company due June 30, 2019 (the “**2012 Debentures**”) issued pursuant to the trust indenture dated as of December 17, 2009 between the Company and the Debenture Trustee, as supplemented by the second supplemental indenture dated July 5, 2012, were listed for trading on the TSX on July 5, 2012, under the trading symbol “ATP.DB.U”. The following table shows the monthly range of high and low prices per Cdn\$100 principal amount of 2012 Debentures and total monthly volumes traded on the TSX during the period before the date of this Prospectus. On August 16, 2012, being the last day on which the 2012 Debentures traded prior to the date of this Prospectus, the closing price of the 2010 Debentures on the TSX was Cdn\$99.99.

<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
July 2012 (from July 5)	Cdn\$99.75	Cdn\$97.00	387,800
August 1 - 16, 2012	Cdn\$101.00	Cdn\$99.20	46,720

EARNINGS COVERAGE RATIOS

The earnings coverage ratios set forth below have been prepared on the basis of the U.S. GAAP financial statements incorporated by reference in this Prospectus. Earnings coverage is equal to net income before interest expense on all long-term debt and income taxes, divided by interest expense on long-term debt.

In accordance with the presentation and measurement requirements of U.S. GAAP, the Company's interest requirements for all long term debt, including the current portion, amounted to approximately US\$46.1 million and approximately US\$86.9 million for the 12 months ended December 31, 2011 and June 30, 2012, respectively. The Company's earnings (loss) before interest and income tax for the 12 months ended December 31, 2011 and June 30, 2012, respectively, was approximately US\$2.1 million and US\$(35.2) million, which is US\$44.0 million and US\$122.1 million less than the Company's interest requirements for each respective period. The additional earnings required to achieve an earnings coverage ratio of 1.0 would have been approximately US\$22.1 million and approximately US\$103.0 million for the 12 months ended December 31, 2011 and June 30, 2012, respectively.

The earnings coverage ratios and the interest requirements do not give effect to the issuance of any Debt Securities that may be issued pursuant to any Prospectus Supplement since the aggregate principal amounts and the terms of such Debt Securities are not presently known. Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement(s) with respect to the issuance of Debt Securities pursuant to this Prospectus.

CREDIT RATINGS

The High Yield Notes have been assigned a credit rating of B1 by Moody's Investors Service, Inc. ("**Moody's**") and a credit rating of BB- by Standard & Poor's Rating Service ("**S&P**"). No credit rating has been assigned to any other outstanding securities of the Company. The following information relating to credit ratings is based on information made available to the public by the rating agencies. Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities.

Moody's rates long-term debt instruments by rating categories ranging from a high of Aaa to a low of C. According to the Moody's ranking system, long-term debt rated B (the sixth highest out of nine categories) is regarded as speculative and is subject to high credit risk. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of its generic rating category.

S&P rates long-term debt instruments by rating categories ranging from a high of AAA to a low of D. According to the S&P ranking system, long-term debt rated BB (the fifth highest out of ten categories) is regarded as less vulnerable to nonpayment than other speculative issues; however, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major rating categories.

Ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The foregoing ratings assigned to the High Yield Notes may not reflect the potential impact of all risks on the value of the High Yield Notes. A rating is therefore not a recommendation to buy, sell or hold securities (including the High Yield Notes) and may be subject to revision or withdrawal at any time by the applicable rating organization. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating organization at any time if in its judgment circumstances so warrant.

CONSOLIDATED CAPITALIZATION

The following table presents the cash and cash equivalents and consolidated capitalization of the Company as of June 30, 2012:

- on an actual basis;

- on an as adjusted basis to give effect to the July 5, 2012 offering and sale of 5,567,177 Common Shares, after deducting underwriting discounts and transaction expenses payable by the Company; and
- on an as further adjusted basis to give effect to the July 5, 2012 offering and sale of the 2012 Debentures, after deducting underwriting discounts and transaction expenses payable by the Company.

	As of June 30, 2012		
	Actual	As	As further
		adjusted (unaudited)	adjusted
	(in thousands of US\$)		
Cash and cash equivalents:	US\$62,693	US\$62,693	US\$70,179
Debt:			
Convertible debentures due 2014.....	US\$44,040	US\$44,040	US\$44,040
Convertible debentures due 2017.....	66,233	66,233	66,233
Convertible debentures due 2017.....	79,069	79,069	79,069
Convertible debentures due 2019.....	—	—	130,000
Senior unsecured notes.....	460,000	460,000	460,000
Corporate level debt	621,262	621,262	621,262
Revolving credit facility.....	20,000	20,000	20,000
Current portion of project-level debt.....	309,336	309,336	309,336
Project-level debt	280,588	280,588	280,588
Total debt:	1,880,528	1,880,528	2,010,528
Shareholders' equity:			
Common shares, no par value per share, unlimited authorized shares, 113,680,643, shares issued and outstanding, actual; 119,247,820 shares issued and outstanding, as adjusted; 119,247,820 shares issued and outstanding, as further adjusted ⁽¹⁾	1,218,233	1,286,707	1,286,707
Preferred shares issued by a subsidiary company	221,304	221,304	221,304
Accumulated other comprehensive loss	(1,964)	(1,964)	(1,964)
Retained deficit	(432,776)	(432,776)	(432,776)
Total shareholder's equity.....	1,004,797	1,073,271	1,073,271
Total capitalization	US\$2,885,325	US\$2,953,799	US\$3,083,799

⁽¹⁾ Excludes (i) 13,252,000 shares issuable upon conversion, redemption, purchase for cancellation or maturity of the Company's outstanding convertible debentures, and (ii) 452,283 unvested notional shares granted under the terms of the Company's long term incentive plan.

Other than as set out above, there have been no material changes in share and loan capital of the Company, on a consolidated basis, since June 30, 2012.

PLAN OF DISTRIBUTION

The Company may sell Securities to or through underwriters or dealers, and may also sell Securities to one or more other purchasers directly or through agents, subject to any exemption from registration requirements. The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or negotiated prices.

Each Prospectus Supplement relating to a particular offering of Securities will set forth the terms of the offering, including the name or names of any underwriters, dealers or agents and the method of distribution of such Securities, including, to the extent applicable, the initial offering price of the Securities, the proceeds to the Company and any fees, discounts or other compensation payable to such underwriters, dealers or agents and any other material terms of the plan of distribution.

Underwriters, dealers and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which they may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Any offering of Debt Securities will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities will not be listed on any securities exchange. Certain dealers may make a market in the Debt Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in the Debt Securities or as to the liquidity of the trading market, if any, for the Debt Securities.

In connection with any offering of Securities (unless otherwise specified in the relevant Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. A purchaser that acquires Securities forming part of an over-allocation position acquires such Securities under this Prospectus.

RISK FACTORS

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to such offering and the information incorporated, or deemed to be incorporated, by reference herein, including the risk factors, uncertainties and additional information set forth in the Company's most recent annual report on Form 10-K, as amended, any subsequent quarterly reports on Form 10-Q and the U.S. Prospectus, for the purposes of such offering, the risk factor listed below.

No Market for Debt Securities

There is currently no market through which Debt Securities that may be offered under this Prospectus and any Prospectus Supplement may be sold, and purchasers of Debt Securities may not be able to resell such securities. No assurance can be given that an active or liquid trading market for the Debt Securities will develop or, if developed, that such market will be sustained. This may affect the pricing of the Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities and the extent of issuer regulation. The public offering prices of the Debt Securities may be determined by negotiation between the Company and underwriters based on several factors and may bear no relationship to prices at which the Debt Securities will trade in the public market subsequent to such offering. See "Plan of Distribution".

CANADIAN TRUST INDENTURE LEGISLATION

Under applicable Canadian law, a Canadian licensed trust company may be required to be appointed as co-trustee under any or all of the indentures in connection with the issuance of any Debt Securities offered for sale in Canada and the United States pursuant to this Prospectus and a Prospectus Supplement. In such circumstances, the Company may make an application to the appropriate Canadian regulatory authorities prior to such issuance for exemptions from this and other requirements of Canadian law applicable to the indentures. If such relief is not sought and/or obtained, the applicable legislative requirements will be complied with at the time of the applicable offering.

INTERESTS OF EXPERTS

Certain legal matters relating to the offering of the Securities will be passed upon on behalf of the Company by Goodmans LLP, the Company's Canadian counsel, and by Goodwin Procter LLP, the Company's U.S. counsel. As at the date hereof, the partners and associates of Goodmans LLP, as a group, beneficially own, directly or indirectly, less than 1% of the securities of the Company, and the partners and associates of Goodwin Procter LLP, as a group, beneficially own, directly or indirectly, less than 1% of the securities of the Company. If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities, such counsel will be named in such Prospectus Supplement.

KPMG LLP (U.S. Firm), as auditors of the Company, has advised the Company that it is independent in accordance with the auditor's rules of professional conduct in the United States and has complied with the SEC's rules on auditor independence.

KPMG LLP (Canadian Firm), as former auditors of the Company, has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and is an independent registered public accounting firm within the meaning of the U.S. Securities Act and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States).

PricewaterhouseCoopers LLP, Philadelphia, as auditors of Chambers Cogeneration Limited Partnership, has advised the Company that it is independent in accordance with the auditor's rules of professional conduct in the United States and has complied with the SEC's rules on auditor independence.

KPMG LLP, Edmonton, as former auditors of CPILP, has advised the Company that it is independent in accordance with the auditor's rules of professional conduct in Alberta.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Accountants, 345 Park Avenue, New York, NY 10154.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right generally may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

PURCHASERS' CONTRACTUAL RIGHTS

Original purchasers of Debt Securities which are convertible or exchangeable into other securities of the Company will have a contractual right of rescission following the conversion or exchange of such Debt Securities in the event that this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such Debt Securities are issued, or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive from the Company, upon surrender of the applicable underlying securities issued upon conversion or exchange of such Debt Securities, the amount paid for such Debt Securities, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable Debt Securities under this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such Debt Securities are issued; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such convertible or exchangeable Debt Securities under this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such Debt Securities are issued.

Original purchasers of Debt Securities which are convertible or exchangeable into other securities of the Company are further advised that in an offering of such Debt Securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces and territories, limited to the price at which the convertible or exchangeable security was offered to the public under the prospectus offering. Accordingly, any further payment made at the time of conversion or exchange of the security may not be recoverable in a statutory action for damages in such provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this statutory right of action for damages, or consult with a legal advisor.

UNITED STATES PROSPECTUS

The text of the U.S. Prospectus, which forms part of the U.S. Registration Statement filed with the SEC, is attached and forms a part of this Prospectus. All securities purchased under this Prospectus, including securities purchased by Canadian investors, will also be registered pursuant to the U.S. Registration Statement under the U.S. Securities Act. The U.S. Securities Act affords certain protections in relation to the U.S. Prospectus.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Atlantic Power Corporation:

We consent to the use of our reports dated February 29, 2012, with respect to the consolidated balance sheets of Atlantic Power Corporation as of December 31, 2011 and 2010, and the related consolidated statements of operations, shareholders' equity and cash flows for the two years then ended, and the related financial statement schedule "Schedule II Valuation and Qualifying Accounts," and the effectiveness of internal control over financial reporting as of December 31, 2011, incorporated by reference, and to the reference to our firm under the heading "Interests of Experts", in the short form base shelf prospectus of Atlantic Power Corporation dated August 17, 2012.

(Signed) KPMG LLP
New York, New York
August 17, 2012

AUDITORS' CONSENT

We have read the short form base shelf prospectus of Atlantic Power Corporation (the “**Company**”) dated August 17, 2012 relating to the offer, issue and sale of common shares and debt securities of the Company up to an aggregate initial offering price of Cdn\$750,000,000. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of the Company on the consolidated statements of operations, shareholders’ equity and cash flows of the Company for the year ended December 31, 2009 and the related financial statement schedule “Schedule II. Valuation and Qualifying Accounts” prepared in conformity with U.S. generally accepted accounting principles. Our report is dated April 12, 2010 except as to notes 4, 8 and 17, which are as of May 26, 2010, and as to notes 2(a) and 16, which are as of June 16, 2010, and as to note 19, which is as of February 27, 2012.

(Signed) KPMG LLP

Chartered Accountants, Licensed Public Accounts

Toronto, Canada
August 17, 2012

AUDITORS' CONSENT

We have read the short form base shelf prospectus of Atlantic Power Corporation (the "**Company**") dated August 17, 2012 relating to the offer, issue and sale of common shares and debt securities of the Company up to an aggregate initial offering price of Cdn\$750,000,000. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the board of control of Chambers Cogeneration Limited Partnership ("**Chambers**") on the consolidated balance sheet of Chambers as at December 31, 2010 and the related consolidated statements of operations, partners' capital and comprehensive income and cash flows for the year ended December 31, 2010 prepared in conformity with U.S. generally accepted accounting principles. Our report is dated March 16, 2011, except for the Restatement of Previously Issued Financial Statements section of Note 2, which is as of March 30, 2012.

(Signed) PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

August 17, 2012

AUDITORS' CONSENT

We have read the short form base shelf prospectus of Atlantic Power Corporation (the “**Company**”) dated August 17, 2012 relating to the offer, issue and sale of common shares and debt securities of the Company up to an aggregate initial offering price of Cdn\$750,000,000. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the partners of Capital Power Income L.P. (the “**Partnership**”) on the consolidated financial statements of the Partnership, which comprise the consolidated balance sheets of the Partnership as at December 31, 2010, 2009 and 2008 and the consolidated statements of income and loss, partners’ equity, comprehensive loss and cash flows for each of the years in the three year period ended December 31, 2010. Our report is dated March 2, 2011 except as to notes 27 and 28, which are as of July 25, 2011.

(Signed) KPMG LLP

Chartered Accountants

Edmonton, Canada
August 17, 2012

PROSPECTUS



Common Shares Debt Securities

We may offer from time to time our common shares and debt securities. We will provide specific terms of the securities which we may offer in supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest. Securities may be sold for U.S. dollars or Canadian dollars.

Our common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol "ATP" and on the New York Stock Exchange (the "NYSE") under the symbol "AT." The applicable prospectus supplement will contain information, where applicable, regarding the listing of the securities covered by such prospectus supplement or term sheet.

The securities may be offered directly by us or by any selling security holder, through agents designated from time to time by us or to or through underwriters or dealers. If any agents, dealers or underwriters are involved in the sale of any of the securities, their names and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth, or will be calculable from the information set forth, in the applicable prospectus supplement. See the sections entitled "About This Prospectus" and "Plan of Distribution" for more information.

Investing in our securities involves risks. See "Risk Factors" on page 7 before you make your investment decision.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 8, 2012.

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You should rely only on the information provided or incorporated by reference in this prospectus or any applicable prospectus supplement or any applicable free writing prospectus or, for prospective purchasers in Canada, the Canadian prospectus relating to this offering. If anyone provides you with different or additional information, you should not rely on it. We have not authorized anyone to provide you with different, inconsistent or additional information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should not assume that the information appearing in this prospectus, any applicable prospectus supplement, any free writing prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

About this Prospectus

This prospectus is part of an automatic shelf registration statement that we have filed with the Securities and Exchange Commission (the “SEC”) as a “well-known seasoned issuer” as defined in Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”), using a “shelf” registration process. Under this process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer.

Each time we offer to sell securities, we will provide a supplement to this prospectus or a term sheet that will contain specific information about the terms of that offering. The prospectus supplement or a term sheet will describe the specific terms of that offering. The prospectus supplement or term sheet may also add to, update or change the information contained in this prospectus. Please carefully read this prospectus, the prospectus supplement and any term sheet together with the information contained in the documents we refer to under the heading “Where You Can Find More Information”.

As used in this prospectus, the terms “Atlantic Power,” the “Company,” “we,” “our” and “us” refer to Atlantic Power Corporation, together with those entities owned or controlled by Atlantic Power Corporation, unless the context indicates otherwise. Unless otherwise noted, all references to “C\$,” “Cdn\$” and “Canadian dollars” are to the lawful currency of Canada and all references to “\$,” “US\$” and “U.S. dollars” are to the lawful currency of the United States. This prospectus includes our trademarks and other trade names identified herein. All other trademarks and trade names appearing in this prospectus are the property of their respective holders.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings are also available to the public from the SEC’s website at <http://www.sec.gov> and on our website at <http://www.atlanticpower.com>. We have included the SEC’s web address and our web address as inactive textual references only. Our website is not incorporated into, and does not constitute a part of, this prospectus or any other report or documents we file with or furnish to the SEC.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to these documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede the information already incorporated by reference. Atlantic Power’s SEC file number is 001-34691. We are incorporating by reference the documents listed below, which were previously filed by us with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 29, 2012, as amended on April 2, 2012;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed with the SEC on May 7, 2012;
- our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed with the SEC on August 8, 2012;
- our annual Proxy Statement on Schedule 14A relating to our annual meeting of shareholders, filed with the SEC on April 30, 2012;

- our Current Reports on Form 8-K filed with the SEC on February 3, 2012, March 2, 2012, April 5, 2012, June 25, 2012, July 6, 2012 and July 16, 2012, except, in any such cases, the portions furnished and not filed pursuant to Item 7.01 or otherwise;
- the audited consolidated financial statements of Capital Power Income L.P. and its subsidiaries as of December 31, 2010 and 2009 and for each of the three years ended December 31, 2010, 2009 and 2008, and the notes related thereto, filed as Exhibit 99.1 to our Current Report on Form 8-K/A, filed with the SEC on December 20, 2011;
- the unaudited condensed interim consolidated financial statements of Capital Power Income L.P. and its subsidiaries as of and for the three and nine months ended September 30, 2011 and 2010 and the notes related thereto, filed as Exhibit 99.2 to our Current Report on Form 8-K/A, filed with the SEC on December 20, 2011;
- the unaudited pro forma condensed combined consolidated statement of operations of the Company and Atlantic Power Limited Partnership for the year ended December 31, 2011 and the notes related thereto, included under the heading “Unaudited Pro Forma Condensed Consolidated Statement of Operations” in our prospectus filed with the SEC pursuant to Rule 424(b) on July 3, 2012;
- the description of the Company’s common shares contained in the Company’s Registration Statement on Form 10, filed with the SEC on July 21, 2010; and
- all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of this offering, except as to any portion of any future report or document that is not deemed filed under such provisions.

You may request a copy of these filings, and any exhibits we have specifically incorporated by reference as an exhibit in this prospectus, at no cost by writing or telephoning us at the following: Atlantic Power Corporation, One Federal Street, Floor 30, Boston, Massachusetts 02110. Our telephone number is (617) 977-2400.

Our Company

Atlantic Power Corporation owns and operates a diverse fleet of power generation and infrastructure assets in the United States and Canada. Our power generation projects sell electricity to utilities and other large commercial customers largely under long-term power purchase agreements (“PPAs”), which seek to minimize exposure to changes in commodity prices. Our power generation projects in operation have an aggregate gross electric generation capacity of approximately 3,397 megawatts (or “MW”) in which our aggregate ownership interest is approximately 2,141 MW. Our current portfolio consists of interests in 31 operational power generation projects across 11 states in the United States and two provinces in Canada and a 500-kilovolt 84-mile electric transmission line located in California. In addition, we have one 53 MW biomass project under construction in Georgia and one approximately 300 MW wind project under construction in Oklahoma. We also own a majority interest in Rollcast Energy Inc., a biomass power plant developer in North Carolina. Twenty-three of our projects are wholly-owned subsidiaries.

We sell the capacity and energy from our power generation projects under PPAs with a number of utilities and other parties. Under the PPAs, which have expiration dates ranging from 2012 to 2037, we receive payments for electric energy delivered to our customers (known as energy payments), in addition to payments for electric generating capacity (known as capacity payments). We also sell steam from a number of our projects to industrial purchasers under steam sales agreements. The transmission system rights associated with our power transmission project entitle us to payments indirectly from the utilities that make use of the transmission line.

Our power generation projects generally have long-term fuel supply agreements, typically accompanied by fuel transportation arrangements. In most cases, the term of the fuel supply and transportation arrangements corresponds to the term of the relevant PPAs. Many of the PPAs and steam sales agreements provide for the indexing or pass-through of fuel costs to our customers. In cases where there is no pass-through of fuel costs, we often attempt to mitigate the market price risk of changing commodity costs through the use of financial hedging strategies.

We directly operate and maintain more than half of our power generation fleet. We also partner with recognized leaders in the independent power industry to operate and maintain our other projects, including Caithness Energy, LLC, Colorado Energy Management, Power Plant Management Services and the Western Area Power Administration. Under these operation, maintenance and management agreements, the operator is typically responsible for operations, maintenance and repair services.

Our common shares trade on the TSX under the symbol “ATP” and on the NYSE under the symbol “AT.” Our 6.50% convertible secured debentures due October 31, 2014 issued pursuant to the trust indenture dated as of October 11, 2006 between us and Computershare Trust Company of Canada (the “Debenture Trustee”) as supplemented by the first supplemental indenture dated as of November 27, 2009 trade on the TSX under the symbol “ATP.DB.” Our 6.25% convertible unsecured subordinated debentures due March 15, 2017 issued pursuant to the trust indenture dated as of December 17, 2009 between us and the Debenture Trustee trade on the TSX under the symbol “ATP.DB.A.” Our 5.60% Series B convertible unsecured subordinated debentures due June 30, 2017 issued pursuant to the trust indenture dated December 17, 2009 between us and the Debenture Trustee as supplemented by the first supplemental indenture dated October 20, 2010 trade on the TSX under the symbol “ATP.DB.B.” Our 5.75% Series C convertible unsecured subordinated debentures due June 30, 2019 issued pursuant to the trust indenture dated December 17, 2009 between us and the Debenture Trustee as supplemented by the second supplemental indenture dated July 5, 2012 trade on the TSX under the symbol “ATP.DB.U.” The issued and outstanding preferred shares of our indirect, wholly-owned subsidiary, Atlantic Power Preferred Equity Ltd. trade on the TSX under the symbols “AZPPR.A” and “AZPPR.B.”

Our registered office is located at 355 Burrard Street, Suite 1900, Vancouver, British Columbia, Canada V6C 2G8 and our headquarters is located at One Federal Street, Floor 30, Boston, Massachusetts 02110 USA. Our telephone number in Boston is (617) 977-2400 and the address of our website is www.atlanticpower.com. We make available, free of charge, on our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Additionally, we make available on our website, our Canadian securities filings. Other than specific documents incorporated by reference, information on our web site is not incorporated into this prospectus or our other securities filings and does not form a part of this prospectus.

Cautionary Note Regarding Forward-Looking Statements

This prospectus, the prospectus supplements, the documents incorporated or deemed to be incorporated by reference in this prospectus and other written or oral statements made from time to time by the Company may contain forward-looking statements within the meaning of the *Private Securities Litigation Reform Act of 1995* with respect to the financial condition, results of operations, business strategies, operating efficiencies, synergies, revenue enhancements, competitive positions, plans and objectives of management and growth opportunities of Atlantic Power Corporation, and with respect to the markets for Atlantic Power common shares and other matters. Statements in this prospectus and the documents incorporated by reference herein that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 27A of the Securities Act and Section 21E of the Exchange Act and forward-looking information within the

meaning defined under applicable Canadian securities legislation (collectively, “forward-looking statements”).

Forward-looking statements can generally be identified by the use of words such as “should,” “intend,” “may,” “expect,” “believe,” “anticipate,” “estimate,” “continue,” “plan,” “project,” “will,” “could,” “would,” “target,” “potential” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things:

- the amount of distributions expected to be received from our projects;
- the ability of the Company to generate sufficient amounts of cash and cash equivalents to maintain our operations and meet obligations as they become due;
- the expected use of proceeds from offerings of our securities;
- the impact of legislative, regulatory, competitive and technological changes;
- expectations regarding completion of construction of certain projects; and
- other risk factors relating to us and the power industry, as detailed from time to time in our filings with the SEC and the Canadian Securities Administrators.

You are cautioned that any forward-looking statement speaks only as of the date of this prospectus or, if such statement is included in a document incorporated by reference into this prospectus, as of the date of such other document. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Risk Factors

Investing in our securities involves risks. Before purchasing the securities offered by this prospectus you should carefully consider the risks, uncertainties and additional information (i) set forth in our most recent Annual Report on Form 10-K, as amended, any subsequent Quarterly Reports on Form 10-Q and SEC reports on Form 8-K, which are incorporated, or deemed to be incorporated, by reference into this prospectus, and in the other documents incorporated by reference in this prospectus that we file with the SEC after the date of this prospectus and which are deemed incorporated by reference in this prospectus, and (ii) contained in any applicable prospectus supplement. For a description of these reports and documents, and information about where you can find them, see “Where You Can Find More Information.” The risks and uncertainties in the documents incorporated by reference in this prospectus are those that we currently believe may materially affect our company. Additional risks not presently known or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects.

Use of Proceeds

Unless otherwise set forth in a prospectus supplement, we intend to use the net proceeds of any offering of common shares and debt securities offered by this prospectus for working capital and other general corporate purposes, which may include the repayment or refinancing of outstanding indebtedness and the financing of future acquisitions. We will have significant discretion in the use of

any net proceeds. The net proceeds may be invested temporarily in interest-bearing accounts and short-term interest-bearing securities until they are used for their stated purpose. We may provide additional information on the use of the net proceeds from the sale of the offered securities in an applicable prospectus supplement relating to the offered securities.

We will not receive any proceeds in the event that securities offered and sold hereunder are those being re-sold into the public markets by an existing securityholder.

Ratio of Earnings to Fixed Charges

The following table sets forth our ratios of earnings to fixed charges for the periods indicated calculated on the basis of the U.S. GAAP financial statements incorporated by reference in this prospectus. For this purpose, “earnings” consists of earnings from continuing operations and distributed income of equity investees, excluding income taxes, non-controlling interests share in earnings and fixed charges, other than capitalized interest, and “fixed charges” consists of project-level interest expense and corporate level interest expense.

	Year Ended December 31,					Six Months Ended June 30, 2012
	2011	2010	2009	2008	2007	
Ratio of Earnings to Fixed Charges	(1)	2.08	(1)	2.24	1.58	(1)

- (1) For purposes of computing this ratio of earnings to fixed charges, fixed charges consist of project-level interest expense and corporate level interest expense. Earnings consist of earnings from continuing operations and distributed income of equity investees, excluding income taxes, non-controlling interests share in earnings and fixed charges, other than capitalized interest. Earnings were insufficient to cover fixed charges as the loss before taxes was \$43.9 million and \$54.2 million, for the years ended December 31, 2011 and 2009, respectively, and \$63.1 million for the six months ended June 30, 2012.

Description of Common Shares

The following summary description sets forth some of the general terms and provisions of our common shares. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of our common shares, you should refer to the provisions of our Articles of Continuance, which we refer to as our “Articles.”

Common shares

Our Articles authorize an unlimited number of common shares. At the close of business on August 3, 2012, 119,248,868 of our common shares were issued and outstanding.

Our common shares are listed on the TSX under the symbol “ATP” and on the NYSE under the symbol “AT.” Holders of our common shares are entitled to receive dividends as and when declared by our board of directors and are entitled to one vote per common share on a vote by poll, or one vote per person present who is a shareholder or a proxy holder for a vote by show of hands, in each case with respect to all matters to be voted on at meetings of shareholders. We are limited in our ability to pay dividends on our common shares by restrictions under the *Business Corporations Act* (British Columbia), which we refer to as the “BC Act,” relating to our solvency before and after the payment of a dividend. Holders of our common shares have no statutory preemptive, conversion or redemption rights and are not subject to further assessment by us.

Upon our voluntary or involuntary liquidation, dissolution or winding up, the holders of common shares are entitled to share ratably in the remaining assets available for distribution, after payment of liabilities.

Pursuant to our Articles and the provisions of the BC Act, certain actions that may be proposed by us require the approval of our shareholders. We may, by special resolution and subject to our Articles, increase our authorized capital by such means as creating shares with or without par value or increasing the number of shares with or without par value. We may, by special resolution and subject to the BC Act, alter our Articles to subdivide, consolidate, change from shares with par value to shares without par value or from shares without par value to shares with par value or change the designation of all or any of our shares. We may also, by special resolution and subject to the BC Act, alter our Articles to create, define, attach, vary, or abrogate special rights or restrictions to any shares. Under the BC Act and our Articles, a special resolution is a resolution passed at a duly-convened meeting of shareholders by not less than two-thirds of the votes cast in person or by proxy at the meeting, or a written resolution consented to by all shareholders who would have been entitled to vote at the meeting of shareholders.

Certain provisions of our Articles and the BC Act

We are governed by the BC Act. Our Articles contain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of our company by means of a tender offer, a proxy contest or otherwise.

Advance notice procedures

Under the BC Act, shareholders may make proposals for matters to be considered at the annual general meeting of shareholders. Such proposals must be sent to us in advance of any proposed meeting by delivering a timely written notice in proper form to our registered office. The notice must include information on the business the shareholder intends to bring before the meeting. These provisions could have the effect of delaying until the next shareholder meeting shareholder actions that are favored by the holders of a majority of our outstanding voting securities. Our Articles establish an advance notice procedure for “special business” and shareholder proposals to be brought before a meeting of shareholders. For special business, advance notice describing the special business to be discussed at the meeting must be provided and that notice must include any documents to be approved or ratified as an addendum or state that such document will be available for inspection at our records office or other reasonably accessible location. Shareholders at an annual meeting may not consider proposals or nominations that are not specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a shareholder of record on the record date for the meeting or a proxyholder who is entitled to vote at the meeting.

Shareholder requisitioned meeting

Under the BC Act, shareholders holding in the aggregate $\frac{1}{20}$ of our outstanding common shares may request the directors to call a general meeting of shareholders to deal with matters that may be dealt with at a general meeting, including election of directors. If the directors do not call the meeting within the timeframes specified in the BC Act, the shareholder can call the meeting and we must reimburse the costs.

Removal of directors and increasing board size

Under our Articles, directors may be removed by shareholders by passing an ordinary resolution of a simple majority of shareholders with the right to vote on such resolution. Further, under our Articles

and subject to the BC Act, the directors may appoint additional directors up to one-third of the directors elected by the shareholders.

Canadian securities laws

We are a reporting issuer in each of the provinces and territories of Canada and therefore subject to the securities laws in each such province and territory. Canadian securities laws require reporting of share purchases and sales by shareholders acquiring beneficial ownership of, or the power to exercise control or direction over, 10% or more of our common shares, including certain prescribed public disclosure of their intentions for their holdings. Canadian securities laws also govern how any offer to acquire 20% or more of our equity or voting shares must be conducted. The foregoing is a limited and general summary of certain aspects of applicable securities law in the provinces and territories of Canada, all in effect as of the date hereof. This summary is not a comprehensive description of relevant or applicable considerations regarding such requirements and, accordingly, is not intended to be, and should not be interpreted as, legal advice to any prospective purchaser and no representation with respect to such requirements to any prospective purchaser is made. Prospective investors should consult their own Canadian legal advisors with respect to any questions regarding securities law in the provinces and territories of Canada.

Indemnification of Directors and Officers

Under the BC Act, we may indemnify a present or former director or officer or a person who acts or acted at our request as a director or officer of another corporation or one of our affiliates, and his or her heirs and personal representatives, against all costs, charges and expenses, including legal and other fees and amounts paid to settle an action or satisfy a judgment, actually and reasonably incurred by him or her including an amount paid to settle an action or satisfy a judgment in respect of any legal proceeding or investigative action to which he or she is made a party by reason of his or her position and provided that the director or officer acted honestly and in good faith with a view to the best interests of Atlantic Power Corporation or such other corporation, and, in the case of a criminal or administrative action or proceeding, had reasonable grounds for believing that his or her conduct was lawful. Other forms of indemnification may be made with court approval.

In accordance with our Articles, we shall indemnify every director or former director, or may, subject to the BC Act, indemnify any other person. We have entered into indemnity agreements with our directors and executive officers, whereby we have agreed to indemnify the directors and officers to the extent permitted by our Articles and the BC Act.

Our Articles permit us, subject to the limitations contained in the BC Act, to purchase and maintain insurance on behalf of any person, as the board of directors may from time to time determine. Our directors and officers liability insurance coverage consists of three policies with aggregate limits of \$50 million.

Transfer agent and registrar

Computershare Investor Services Inc. and Computershare Trust Company, N.A. serve as our transfer agents and registrars for our common shares.

Description of Debt Securities

We may offer secured or unsecured debt securities in one or more series which may be senior, subordinated or junior subordinated, and which may be convertible into another security.

The following description briefly sets forth certain general terms and provisions of the debt securities. The particular terms of the debt securities offered by any prospectus supplement and the

extent, if any, to which these general provisions may apply to the debt securities, will be described in the applicable prospectus supplement. We may issue debt securities in one or more series under the trust indenture, dated as of December 17, 2009, between us and Computershare Trust Company of Canada, as trustee. We may issue debt securities in one or more series under a New York law indenture to be entered into between us and a trustee to be named in the indenture. The form of the New York indenture is attached as an exhibit to the registration statement of which this prospectus forms a part. We use the term “indentures” to refer to both the Canadian indenture and the New York indenture, and we use the term “trustee” to refer to the trustee under either indenture, as applicable. The indentures will be qualified under the Trust Indenture Act of 1939 (the “TIA”). The terms of the debt securities will include those set forth in the applicable indenture and those made a part of the indenture by the TIA. You should read the summary below, the applicable prospectus supplement and the provisions of the applicable indenture and indenture supplement, if any, in their entirety before investing in our debt securities.

The aggregate principal amount of debt securities that may be issued under the indentures is unlimited. The prospectus supplement relating to any series of debt securities that we may offer will contain the specific terms of the debt securities. These terms may include the following:

- the title and aggregate principal amount of the debt securities and any limit on the aggregate principal amount;
- whether the debt securities will be senior, subordinated or junior subordinated;
- whether the debt securities will be secured or unsecured;
- any applicable subordination provisions for any subordinated debt securities;
- the maturity date(s) or method for determining same;
- the interest rate(s) or the method for determining same;
- the dates on which interest will accrue or the method for determining dates on which interest will accrue and dates on which interest will be payable and whether interest shall be payable in cash or additional securities;
- whether the debt securities are convertible or exchangeable into other securities and any related terms and conditions;
- redemption or early repayment provisions;
- authorized denominations;
- if other than the principal amount, the principal amount of debt securities payable upon acceleration;
- place(s) where payment of principal and interest may be made, where debt securities may be presented and where notices or demands upon the company may be made;
- whether such debt securities will be issued in whole or in part in the form of one or more global securities and the date as which the securities are dated if other than the date of original issuance;
- amount of discount or premium, if any, with which such debt securities will be issued;
- any covenants applicable to the particular debt securities being issued;
- any additions or changes in the defaults and events of default applicable to the particular debt securities being issued;

- the guarantors of each series, if any, and the extent of the guarantees (including provisions relating to seniority, subordination, security and release of the guarantees), if any;
- the currency, currencies or currency units in which the purchase price for, the principal of and any premium and any interest on, such debt securities will be payable;
- the time period within which, the manner in which and the terms and conditions upon which the holders of the debt securities or the company can select the payment currency;
- our obligation or right to redeem, purchase or repay debt securities under a sinking fund, amortization or analogous provision;
- our obligation or right to redeem, purchase or repay debt securities under a sinking fund, amortization or analogous provision;
- any restriction or conditions on the transferability of the debt securities;
- provisions granting special rights to holders of the debt securities upon occurrence of specified events;
- additions or changes relating to compensation or reimbursement of the trustee of the series of debt securities;
- additions or changes to the provisions for the defeasance of the debt securities or to provisions related to satisfaction and discharge of the indenture;
- whether and under what circumstances we will pay additional amounts to non-Canadian holders in respect of any tax assessment or government charge, and, if so, whether we will have the option to redeem the debt securities rather than pay such additional amounts;
- provisions relating to the modification of the indenture both with and without the consent of holders of debt securities issued under the indenture and the execution of supplemental indentures for such series; and
- any other terms of the debt securities (which terms shall not be inconsistent with the provisions of the TIA, but may modify, amend, supplement or delete any of the terms of the indenture with respect to such series debt securities).

We may sell the debt securities, including original issue discount securities, at par or at a substantial discount below their stated principal amount. Unless we inform you otherwise in a prospectus supplement, we may issue additional debt securities of a particular series without the consent of the holders of the debt securities of such series or any other series outstanding at the time of issuance. Any such additional debt securities, together with all other outstanding debt securities of that series, will constitute a single series of securities under the applicable indenture.

We will describe in the applicable prospectus supplement any other special considerations for any debt securities we sell which are denominated in a currency or currency unit other than U.S. dollars. In addition, debt securities may be issued where the amount of principal and/or interest payable is determined by reference to one or more currency exchange rates, commodity prices, equity indices or other factors. Holders of such securities may receive a principal amount or a payment of interest that is greater than or less than the amount of principal or interest otherwise payable on such dates, depending upon the value of the applicable currencies, commodities, equity indices or other factors. Information as to the methods for determining the amount of principal or interest, if any, payable on any date, the currencies, commodities, equity indices or other factors to which the amount payable on such date is linked.

Material United States and Canadian federal income tax consequences and special considerations, if any, applicable to any such series will be described in the applicable prospectus supplement.

Debt Securities Issued under the Canadian Indenture

The following summary description sets forth some of the general terms and provisions of the Canadian indenture. Because this is a summary description, it does not contain all of the information that may be important to you and is qualified in its entirety by reference to the Canadian indenture, any supplement to the Canadian indenture under which debt securities are issued (“Canadian Debt Securities”) and the form of the Canadian Debt Securities as filed with securities regulators in Canada and the United States.

General

Canadian Debt Securities issued under and pursuant to the provisions of the Canadian indenture, as supplemented by a supplement (each, a “supplemental indenture”) will be issuable only in denominations of \$1,000 and integral multiples thereof, unless otherwise specified in such supplemental indenture. At the closing of the applicable offering, the Canadian Debt Securities will be available for delivery in book-entry form only through the facilities of CDS Clearing and Depository Services Inc. (“CDS”). Holders of beneficial interests in the Canadian Debt Securities will not have the right to receive physical certificates evidencing their ownership of Canadian Debt Securities except under certain circumstances described under “Description of Canadian Debt Securities—Book entry, delivery and form.” No fractional Canadian Debt Securities will be issued.

The interest on the Canadian Debt Securities will be payable in lawful money of Canada, unless otherwise specified in the applicable supplemental indenture. Subject to any required regulatory approval and provided no event of default has occurred and is continuing, the Company shall have the option to pay such interest by delivering a number of common shares to an agent for sale, in which event holders of the Canadian Debt Securities will be entitled to receive a cash payment equal to the interest owed from the proceeds of the sale of the requisite number of common shares by the agent. The Canadian indenture does not, and any supplemental indenture will not, contain a requirement for the Company to increase the amount of interest or other payments to holders of Canadian Debt Securities should the Company become required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts.

The principal on the Canadian Debt Securities will be payable in lawful money of Canada, unless otherwise specified in the applicable supplemental indenture, or, at the option of the Company and subject to applicable regulatory approval, by delivery of common shares to satisfy in whole or in part its obligation to repay the principal under the Canadian Debt Securities as further described under “Description of Canadian Debt Securities—Payment upon redemption or maturity” and “Description of Canadian Debt Securities—Redemption and purchase.”

The Canadian Debt Securities will be direct obligations of the Company and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Company as described under “Description of Canadian Debt Securities—Subordination.”

The Canadian indenture does not, and any supplemental indenture will not, restrict the Company from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its assets to secure any indebtedness. The Canadian Debt Securities will be transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Toronto, Ontario.

Conversion Privilege

The Canadian Debt Securities may, if so provided in the applicable supplemental indenture, be convertible at the holder’s option into fully paid, non-assessable and freely-tradeable common shares at any time prior to the close of business on the earlier of the specified maturity date and the last business day immediately preceding the date specified by the Company for redemption of the Canadian

Debt Securities, at a specified conversion price. No adjustment will be made for dividends or distributions payable on common shares issuable upon conversion; however, holders converting their Canadian Debt Securities shall be entitled to receive, in addition to the applicable number of common shares, accrued and unpaid interest in respect thereof for the period up to but excluding the date of conversion from the latest interest payment date.

Subject to the provisions thereof, the Canadian indenture provides for the adjustment of the conversion rights in certain events including: (i) the subdivision or consolidation of the outstanding common shares; (ii) the issue of common shares or securities convertible into common shares by way of stock dividend or other distribution; (iii) the issuance of options, rights or warrants to all or substantially all the holders of common shares entitling them to acquire common shares or other securities convertible into common shares at less than 95% of the then current market price of the common shares; and (iv) the distribution to all or substantially all holders of common shares of any securities or assets (other than cash dividends and equivalent dividends in securities paid in lieu of cash dividends in the ordinary course).

Provided the common shares are then listed on the TSX and/or the NYSE, the term “current market price” will mean the volume weighted average price of the common shares on the TSX or the NYSE, as the case may be, for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event, as specified in the applicable supplemental indenture in respect of the Canadian Debt Securities issued thereunder.

There will be no adjustment of the conversion price in respect of any event described in (ii), (iii) or (iv) above if, subject to prior regulatory approval, if required, the holders of the Canadian Debt Securities are allowed to participate as though they had converted their Canadian Debt Securities prior to the applicable record date or effective date. The Company will not be required to make adjustments in the conversion price unless the cumulative effect of such adjustments would change the conversion price by at least 1%. In the case of any reclassification of the common shares or a capital reorganization of the Company (other than as described in (i) or (ii) above) or in case of any amalgamation, arrangement or merger of the Company with or into any other entity, or in the case of any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the Company, the terms of the conversion privilege shall be adjusted so that each Canadian Debt Security shall, after such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up or other similar transaction, be exercisable, in lieu of common shares, for the kind and amount of securities or property of the Company, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up or other similar transaction. For example, if the Company were to sell all of its properties and assets for cash consideration, any Canadian Debt Securities that remain outstanding following such sale would then be convertible into cash, in an amount per common share otherwise issuable upon conversion of the Canadian Debt Security equal to the cash consideration per common share received by the holders of common shares pursuant to such sale.

No fractional common shares will be issued on any conversion of the Canadian Debt Securities, but in lieu thereof, the Company shall satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest. Upon conversion, the Company may offer, and the

converting holder may agree to, the delivery of cash for all or a portion of the Canadian Debt Securities surrendered in lieu of common shares.

Redemption and Purchase

The Canadian Debt Securities may not be redeemable by the Company on or before the date specified. See “Description of Canadian Debt Securities—Repurchase upon a change of control.” During specified periods, the Canadian Debt Securities may be redeemed at the option of the Company, in whole at any time or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at specified redemption price(s) with or without specified conditions, including, for example, that the volume weighted average price of the common shares on the TSX or the NYSE, as the case may be, for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is not less than a specified percentage of the conversion price.

In the case of redemption of less than all of the Canadian Debt Securities, the Canadian Debt Securities to be redeemed will be selected by the Debenture Trustee on a *pro rata* basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX.

The Company will have the right to purchase Canadian Debt Securities in the market, by tender or by private contract subject to regulatory requirements; provided, however, that if an event of default (as defined herein) has occurred and is continuing, the Company will not have the right to purchase the Canadian Debt Securities by private contract.

Payment upon Redemption or Maturity

On redemption (the “Redemption Date”) or on the maturity date, the Company will repay the indebtedness represented by the Canadian Debt Securities by paying to the Debenture Trustee in lawful money of Canada, unless another currency is specified in the applicable supplemental indenture, an amount equal to the redemption price or principal amount of the outstanding Canadian Debt Securities, together with accrued and unpaid interest thereon, respectively. The Company may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to any required regulatory approvals, unless an event of default has occurred and is continuing, elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Canadian Debt Securities which are to be redeemed or which have matured by issuing and delivering freely tradeable common shares to the holders of the Canadian Debt Securities. The number of common shares to be issued will be determined by dividing the principal amount of the Canadian Debt Securities which are to be redeemed or have matured by a specified percentage of the current market price of the common shares on the Redemption Date or maturity date, as the case may be.

No fractional common shares will be issued to holders of Canadian Debt Securities, but in lieu thereof, the Company shall satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

The delivery of common shares to satisfy the Company’s obligations under the Canadian Debt Securities may require regulatory approval, including filing a prospectus qualifying the distribution of such common shares or obtaining an exemptive relief order from the relevant Canadian securities regulators in the event that an exemption from the prospectus and registration requirements of applicable Canadian securities laws is not available at the time of the delivery of common shares. In addition, any issuance of common shares to satisfy the Company’s obligations under the Canadian Debt Securities will be subject to the approval of the TSX and the NYSE (and any other exchange on which the common shares are listed at the relevant time).

Cancellation

All Canadian Debt Securities converted, redeemed or purchased will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the Canadian Debt Securities will be subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Canadian indenture, to the prior payment in full of all existing and future Senior Indebtedness of the Company, including our revolving credit facility, the convertible debentures of the Company issued on October 11, 2006 and our senior notes issued on November 4, 2011. "Senior Indebtedness" of the Company is defined in the Canadian indenture and includes: (a) indebtedness of the Company for borrowed money; (b) obligations of the Company evidenced by bonds, debentures, notes or other similar instruments; (c) obligations of the Company arising pursuant or in relation to bankers' acceptances, letters of credit and letters of guarantee (including payment and reimbursement obligations in respect thereof) or indemnities issued in connection therewith; (d) obligations of the Company under any swap, hedging or other similar contracts or arrangements; (e) obligations of the Company under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the Senior Indebtedness or other obligations of any other person which would otherwise constitute Senior Indebtedness within the meaning of this definition, including the guarantee of the Company's revolving credit facility; (f) all indebtedness of the Company representing the deferred purchase price of any property including, without limitation, purchase money mortgages; (g) accounts payable to trade creditors; (h) all renewals, extensions and refinancing of any of the foregoing; and (i) all costs and expenses incurred by or on behalf of the holder of any Senior Indebtedness in enforcing payment or collection of any such Senior Indebtedness, including enforcing any security interest securing the same. The Canadian Debt Securities will be effectively structurally subordinate to claims of creditors (including trade creditors) of the Company's subsidiaries, including Atlantic Power Holdings, Inc. ("Holdings"). As of August 6, 2012, we had an aggregate amount of \$524.7 million of Senior Indebtedness outstanding.

The 6.25% convertible debentures we issued on December 17, 2009, the 5.60% convertible debentures we issued on October 20, 2010, the 5.75% convertible debentures we issued on July 5, 2012 and any Canadian Debt Securities issued under the Canadian indenture or under any supplemental indenture will rank *pari passu* with each other (regardless of their actual date or terms of issue).

The Canadian indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation or reorganization or other similar proceedings relating to the Company, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Company, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Company, then holders of Senior Indebtedness will receive payment in full before the holders of Canadian Debt Securities will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Canadian Debt Securities or any unpaid interest accrued thereon.

The Canadian indenture also provides that the Company will not make any payment, and the holders of the Canadian Debt Securities will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including, without any limitation, by set-off, combination of accounts or otherwise in any manner whatsoever) on account of indebtedness represented by the Canadian Debt Securities at any time when a default or an event of default has occurred with respect to any Senior Indebtedness permitting a senior creditor to demand payment or accelerate the maturity thereof and the notice of such default or event of default has been given by or

on behalf of holders of Senior Indebtedness to the Company or the Company otherwise has knowledge thereof, unless such notice has been revoked, such default or event of default has been cured or the Senior Indebtedness has been repaid or satisfied in full as defined in the Canadian indenture.

The Debenture Trustee and the Company will also be authorized (and obligated upon any request from certain holders of Senior Indebtedness) under the Canadian indenture to enter into subordination agreements on behalf of the holders of Canadian Debt Securities with any holder of Senior Indebtedness.

Repurchase upon a Change of Control

Upon the occurrence of a change of control of the Company, the holders of the Canadian Debt Securities will have the right to require the Company to repurchase their Canadian Debt Securities, in whole or in part at a price equal to 100% of the principal amount thereof (the “Offer Price”) plus accrued and unpaid interest thereon. A change of control will be deemed to occur upon: (i) an acquisition by a person or group of persons acting jointly or in concert (within the meaning of the Securities Act (Ontario)) of ownership of, or voting control or direction over, 50% or more of the common shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company.

A change of control will not include a sale, merger, reorganization, or other similar transaction if the previous holders of the common shares hold at least 50% of the voting control in such merged, reorganized or other continuing entity.

If 90% or more of the aggregate principal amount of the Canadian Debt Securities outstanding on the date of the giving of notice of the change of control have been tendered for purchase following a change of control, the Company will have the right to redeem all the remaining Canadian Debt Securities on the purchase date, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee by the Company within 10 days following expiry of the right to require repurchase after the change of control and, as soon as possible thereafter, by the Debenture Trustee to the holders of the Canadian Debt Securities not tendered for purchase.

The Canadian indenture contains notification provisions to the effect that:

(a) the Company will promptly give written notice to the Debenture Trustee of the occurrence of a change of control and the Debenture Trustee will thereafter give to the holders of Canadian Debt Securities a notice of the change of control, the right of the holders of Canadian Debt Securities to require repurchase and the right of the Company to redeem untendered Canadian Debt Securities under certain circumstances; and

(b) a holder of Canadian Debt Securities, to exercise the right to require repurchase following the change of control, must deliver to the Debenture Trustee, not less than five business days prior to the date which is 30 days after the date the Debenture Trustee delivers notice of the change of control to the holders of Canadian Debt Securities, written notice of the holder’s exercise of the right to require repurchase, together with a duly endorsed form of transfer.

The Company will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of the Canadian Debt Securities in the event of a change of control.

Cash Change of Control

In addition to the requirement for the Company to repurchase Canadian Debt Securities following a change of control, if a change of control occurs in which 10% or more of the consideration for the common shares in the transaction or transactions constituting a change of control consists of:

- cash, other than cash payments for fractional common shares and cash payments made in respect of dissenter's appraisal rights;
- equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or
- other property that is not traded or intended to be traded immediately following such transactions on a stock exchange,

then subject to regulatory approvals, during the period beginning ten trading days before the anticipated date on which the change of control becomes effective and ending 30 days after the notice of change of control and offer to repurchase Canadian Debt Securities is delivered, holders of Canadian Debt Securities will be entitled to convert their Canadian Debt Securities, subject to certain limitations, and receive, in addition to the number of common shares they would otherwise be entitled to receive as set forth under "Description of Canadian Debt Securities—Conversion privilege" above, an additional number of common shares per \$1,000 principal amount of Canadian Debt Securities (the "Make Whole Premium Shares") to be specified in the applicable supplemental indenture. Any such additional conversion entitlement shall be subject to the change of control transaction having been completed. The Make Whole Premium Shares and the determination thereof will be adjusted in a similar manner as the conversion rate set forth above under "Description of Canadian Debt Securities—Conversion Privilege".

The delivery of common shares to satisfy the Company's obligations under the Canadian Debt Securities may require regulatory approval, including filing a prospectus qualifying the distribution of such common shares or obtaining an exemptive relief order from the relevant Canadian securities regulators in the event that an exemption from the prospectus and registration requirements of applicable Canadian securities laws is not available at the time of the delivery of common shares. In addition, any issuance of common shares to satisfy the Company's obligations under the Canadian Debt Securities will be subject to the approval of the TSX and the NYSE (and any other exchange on which the common shares are listed at the relevant time).

Modification

The rights of the Canadian Debt Security holders that have been or may be issued under the Canadian indenture or any supplemental indenture may be modified in accordance with the terms of the Canadian indenture. For that purpose, among others, the Canadian indenture contains certain provisions which make binding on all Canadian Debt Security holders resolutions passed at meetings of the Canadian Debt Security holders by votes cast thereat by holders of not less than $66\frac{2}{3}$ of the principal amount of the then outstanding Canadian Debt Securities present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than $66\frac{2}{3}\%$ of the principal amount of the then outstanding Canadian Debt Securities. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of each particularly affected series of debentures, as the case may be. Under the Canadian indenture, certain amendments may be made to the Canadian indenture without the consent of the Canadian Debt Security holders.

Events of Default

The Canadian indenture provides that an event of default (“Event of Default”) in respect of the Canadian Debt Securities will occur if certain events described in the Canadian indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Canadian Debt Securities: (i) failure for 15 days to pay interest on the Canadian Debt Securities when due; (ii) failure to pay principal or premium, if any, on the Canadian Debt Securities, whether at maturity, upon redemption, by declaration or otherwise; or (iii) certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Canadian Debt Securities, declare the principal of (and premium, if any) and interest on all outstanding Canadian Debt Securities to be immediately due and payable.

Offers for Canadian Debt Securities

The Canadian indenture contains provisions to the effect that if an offer is made for the Canadian Debt Securities which is a take-over bid for Canadian Debt Securities within the meaning of the Securities Act (Ontario) and not less than 90% of the Canadian Debt Securities (other than Canadian Debt Securities held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Canadian Debt Securities held by Canadian Debt Security holders who did not accept the offer on the terms offered by the offeror.

Book Entry, Delivery and Form

Canadian Debt Securities will be issued in the form of fully registered global Canadian Debt Securities (the “Global Debentures”) held by, or on behalf of, CDS or its successor (the “Depository”), as custodian for its participants.

All Canadian Debt Securities will be represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Canadian Debt Securities represented by Global Debentures will not receive Canadian Debt Securities in definitive form. Rather, the Canadian Debt Securities will be represented only in “book-entry only” form (unless the Company, in its sole discretion, elects to prepare and deliver definitive Canadian Debt Securities in fully registered form). Beneficial interests in the Global Debentures, constituting ownership of the Canadian Debt Securities, will be represented through book-entry accounts of institutions (including the underwriters) acting on behalf of beneficial owners, as direct and indirect participants of the Depository (the “participants”). Each purchaser of a Canadian Debt Security represented by a Global Debenture will receive a customer confirmation of purchase from the underwriters or registered dealer from whom the Canadian Debt Security is purchased in accordance with the practices and procedures of the selling underwriters or registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in Global Debentures.

If the Depository notifies the Company that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company and the Debenture Trustee are unable to locate a qualified successor, or if the Company elects, in its sole discretion, to terminate the book-entry system, with the consent of the Debenture Trustee, or if under certain circumstances described in the Canadian indenture, an Event of Default has occurred, beneficial owners of Canadian Debt Securities represented by Global Debentures at such time will receive Canadian Debt Securities in registered and definitive form (the “Definitive Debentures”).

Transfer and Exchange of Canadian Debt Securities

Transfers of beneficial ownership in Canadian Debt Securities represented by Global Debentures will be effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the Company elects, in its sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Global Debentures, may do so only through participants in the Depository's book-entry system.

The ability of a beneficial owner of an interest in a Canadian Debt Security represented by a Global Debenture to pledge the Canadian Debt Security or otherwise take action with respect to such owner's interest in a Canadian Debt Security represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Canadian Debt Securities upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Canadian Debt Securities to the registrar for the Canadian Debt Securities at its principal offices in Toronto, Ontario or such other city or cities as may from time to time be designated by the Company, whereupon new Canadian Debt Securities will be issued in authorized denominations in the same aggregate principal amount as the Canadian Debt Securities so transferred, registered in the names of the transferees. No transfer of a Canadian Debt Security will be registered on any interest payment date or during the five business days preceding an interest payment date on the Canadian Debt Securities or on any Redemption Date or during the five business days preceding the Redemption Date.

Payments

Payments of interest and principal on each Global Debenture will be made to the Depository or its nominee, as the case may be, as the registered holder of the Global Debenture. As long as the Depository or its nominee is the registered owner of a Global Debenture, such Depository or its nominee, as the case may be, will be considered the sole legal owner of the Global Debenture for the purposes of receiving payments of interest and principal on the Canadian Debt Securities and for all other purposes under the Canadian indenture and the Canadian Debt Securities. The record date for the payment of interest will be the fifth business day prior to the applicable interest payment date. Interest payments on Global Debentures will be made by electronic funds transfer or by cheque on the day interest is payable and delivered to the Depository or its nominee, as the case may be.

The Company understands that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of a Global Debenture, will credit participants' accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such Global Debenture as shown on the records of the Depository or its nominee. The Company also understands that payments of interest and principal by participants to the owners of beneficial interests in such Global Debenture held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants. The responsibility and liability of the Company in respect of payments on Debentures represented by the Global Debenture is limited solely and exclusively, while the Canadian Debt Securities are registered in Global Debenture form, to making payment of any interest and principal due on such Canadian Debt Securities to the Depository or its nominee.

If Definitive Debentures are issued instead of or in place of Global Debentures, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the

holder of the Definitive Debenture, or by cheque dated the interest payment date and mailed to the address of the holder appearing in the register maintained by the registrar for the Canadian Debt Securities at least one business day prior to the applicable interest payment date. Payment of principal at maturity will be made at the principal office of the paying agent in the City of Toronto (or in such other city or cities as may from time to time be designated by the Company) against surrender of the Definitive Debentures, if any.

Reports to Holders

The Company shall file with the Debenture Trustee copies of the Company's annual report and other documents that the Company is required to deliver to shareholders under applicable securities legislation.

Governing Law

Each of the Canadian indenture, any supplemental indenture and the Canadian Debt Securities will be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein applicable to contracts executed and to be performed entirely in such Province.

Debt Securities Issued under the New York Indenture

The following summary description sets forth some of the general terms and provisions of the New York indenture. Because this is a summary description, it does not contain all of the information that may be important to you and is qualified in its entirety by reference to the New York indenture, any supplement to the New York indenture under which debt securities are issued ("US Debt Securities") and the form of any such US Debt Securities as filed with securities regulators in Canada and the United States.

General

We may sell the US Debt Securities, including original issue discount securities, at par or at a substantial discount below their stated principal amount. Unless we inform you otherwise in a prospectus supplement, we may issue additional US Debt Securities of a particular series without the consent of the holders of such series outstanding at the time of issuance. Any such additional US Debt Securities, together with all other outstanding debt securities of that series, will constitute a single series of securities under the New York indenture. In addition, we will describe in the applicable prospectus supplement, material United States ("U.S.") federal tax considerations and any other special considerations for any US Debt Securities we sell which are denominated in a currency or currency unit other than U.S. dollars. Any taxes withheld or deducted from payments in respect of the US Debt Securities and paid to the relevant tax authority shall be deemed to have been paid to the applicable holder. Unless we inform you otherwise in the applicable prospectus supplement, the US Debt Securities will not be listed on any securities exchange.

We expect most US Debt Securities to be issued in fully registered form without coupons and in denominations of \$1,000 and any integral multiples thereof. Subject to the limitations provided in the New York indenture and in the applicable prospectus supplement, US Debt Securities that are issued in registered form may be transferred or exchanged at the corporate office of the trustee or the principal corporate trust office of the trustee, without the payment of any service charge, other than any tax or other governmental charge payable in connection therewith.

Global Securities

Unless we inform you otherwise in the applicable prospectus supplement, the US Debt Securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary identified in the applicable prospectus supplement. Global securities will be issued in registered form and in either temporary or definitive form. Unless and until it is exchanged in whole or in part for the individual US Debt Securities, a global security may not be transferred except as a whole by the depositary for such global security to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary or by such depositary or any such nominee to a successor of such depositary or a nominee of such successor. The specific terms of the depositary arrangement with respect to any US Debt Securities of a series and the rights of and limitations upon owners of beneficial interests in a global security will be described in the applicable prospectus supplement.

Events of Default

Under the terms of the New York indenture, each of the following constitutes an event of default for a series of US Debt Securities unless it is either inapplicable to a particular series or it is specifically deleted or modified:

- default for 30 days in the payment of any interest when due;
- default in the payment of principal, or premium, if any, when due;
- default for 30 days in the payment of any sinking fund installment, if any, when due;
- default in the performance, or breach, of any covenant or agreement in the New York indenture for 90 days after written notice;
- default in the payment of any principal of any of our indebtedness for money borrowed (other than any indebtedness owing to any of our subsidiaries) in a principal amount in excess of \$50,000,000 (or the foreign currency equivalent at the time) at the stated final maturity thereof or the occurrence of any other default resulting in the acceleration prior to the stated maturity thereof, if such indebtedness is not discharged or such acceleration is not rescinded or annulled within 30 days after written notice to us by the trustee or to us and the trustee by the holders of not less than 25% in principal amount of the applicable series then outstanding, provided that the resulting event of default under the New York indenture with respect to such series will be deemed cured or waived, without any further action by us or any other person, if such other default is cured by us or waived by the holders of such indebtedness;
- certain events of bankruptcy, insolvency or reorganization; and
- any other event of default described in the applicable company order or supplemental indenture under which the series of US Debt Securities is issued.

We are required to furnish the trustee annually with an officer's certificate as to our compliance with all conditions and covenants under the New York indenture. The New York indenture provides that the trustee may withhold notice to you of any default, except in respect of the payment of the principal of, premium, if any, or interest on the US Debt Securities, if it considers it in the interests of the holders of the US Debt Securities to do so.

Effect of an Event of Default

If an event of default exists (other than an event of default in the case of certain events of bankruptcy), the trustee or the holders of not less than 25% in aggregate principal amount of a series of outstanding US Debt Securities may declare the principal amount, or, if the US Debt Securities are

original issue discount securities, the portion of the principal amount as may be specified in the terms of that series, of and all accrued but unpaid interest on all outstanding US Debt Securities of that series to be due and payable immediately, by a notice in writing to us, and to the trustee if given by holders. Upon that declaration the principal (or specified) amount will become immediately due and payable. However, at any time after a declaration of acceleration has been made, but before a judgment or decree for payment of the money due has been obtained, the event of default may, without further act, be deemed to have been waived and such declaration may, without further act, be deemed to have been rescinded and annulled subject to conditions specified in the New York indenture.

If an event of default in the case of certain events of bankruptcy, insolvency or reorganization exists, the principal amount of all US Debt Securities outstanding under the New York indenture shall automatically, and without any declaration or other action on the part of the trustee or any holder of such outstanding debt, become immediately due and payable.

Subject to the provisions of the New York indenture relating to the duties of the trustee, if an event of default then exists, the trustee will be under no obligation to exercise any of its rights or powers under the New York indenture (other than the payment of any amounts on the US Debt Securities furnished to it pursuant to the New York indenture) at your (or any other person's) request, order or direction, unless you have (or such other person has) offered to the trustee reasonable security or indemnity. Subject to the provisions for the security or indemnification of the trustee, the holders of a majority in aggregate principal amount of a series of outstanding US Debt Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee in connection with the US Debt Securities of that series.

Legal Proceedings and Enforcement of Right to Payment

You will not have any right to institute any proceeding in connection with the New York indenture or for any remedy under the New York indenture, unless you have previously given to the trustee written notice of a continuing event of default with respect to US Debt Securities of that series. In addition, the holders of at least 25% in aggregate principal amount of a series of the outstanding US Debt Securities must have made written request, and offered reasonable security or indemnity, to the trustee to institute that proceeding as trustee, and, within 60 days following the receipt of that notice, the trustee must not have received from the holders of a majority in aggregate principal amount of the outstanding US Debt Securities of that series a direction inconsistent with that request, and must have failed to institute the proceeding. However, you will have an absolute and unconditional right to receive payment of the principal of, premium, if any, and interest on that debt security on or after the due dates expressed in the debt security and to institute a suit for the enforcement of that payment.

Modification and Waiver

Modification

We and the trustee may modify and amend the New York indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding US Debt Securities of each series affected. However, no modification or amendment may, without the consent of the holder of each outstanding debt security affected:

- extend the stated maturity of the principal of, or any installment of interest on, any outstanding debt security;
- reduce the principal amount of or the interest on or any premium payable upon the redemption of any outstanding debt security;

- change the currency in which the principal amount of and premium, if any, or interest on any outstanding debt security is denominated or payable;
- reduce the principal amount of an original issue discount security that would be due and payable upon a declaration of acceleration of the maturity thereof;
- impair your right to institute suit for the enforcement of any payment on any outstanding debt security after the stated maturity or redemption date;
- materially adversely affect the economic terms of any right to convert or exchange any outstanding debt security;
- reduce the percentage of the holders of outstanding US Debt Securities necessary to modify or amend the New York indenture or to waive compliance with certain provisions of the New York indenture or certain defaults and consequences of such defaults; or
- modify any of these provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect such action or to provide that certain other provisions may not be modified or waived without the consent of all of the holders of the US Debt Securities affected.

Waiver

The holders of a majority in aggregate principal amount of the outstanding US Debt Securities of a series may, on behalf of the holders of all US Debt Securities of that series, waive compliance by us with certain restrictive covenants of the New York indenture.

The holders of a majority in aggregate principal amount of the outstanding US Debt Securities of a series may, on behalf of the holders of all US Debt Securities of that series, generally waive any past default under the New York indenture and the consequences of such default. However, a default in the payment of the principal of, or premium, if any, or any interest on, any debt security of that series cannot be so waived.

Merger, Consolidation and Sale of Assets

We will not consolidate with or merge into any other entity or sell other than for cash or lease all or substantially all our assets to another entity, or purchase all or substantially all the assets of another entity, and no entity may consolidate with or merge into us, unless:

- we will be the continuing entity in any merger or consolidation or the successor, transferee or lessee entity (if other than us) is a corporation organized and validly existing under the laws of any U.S. domestic jurisdiction and expressly assumes our obligations relating to the US Debt Securities;
- immediately after such consolidation, merger, sale, lease or purchase, there exists no event of default, and no event which, after notice or lapse of time or both, would become an event of default; and
- other conditions described in the New York indenture are met.

This covenant would not apply to a purchase by a subsidiary of all or substantially all of the assets of another entity.

Defeasance and Covenant Defeasance

The New York indenture provides that we may discharge all of our obligations with respect to any series of the US Debt Securities at any time, and that we may also be released from our obligations

under certain covenants and from certain other obligations, including obligations imposed by a company order or supplemental indenture with respect to that series, if any, and elect not to comply with those sections and obligations without creating an event of default. Discharge under the first procedure is called “defeasance” and under the second procedure is called “covenant defeasance.”

Defeasance or covenant defeasance may be effected only if:

- we irrevocably deposit with the trustee money or U.S. government obligations or a combination thereof, as trust funds in an amount sufficient to pay and discharge each installment of principal of, premium, if any, and interest on, all outstanding US Debt Securities of that series;
- no event of default under the New York indenture has occurred and is continuing on the date of such deposit, other than an event of default resulting from the borrowing of funds and the grant of any related liens to be applied to such deposit; and
- we deliver to the trustee an opinion of counsel to the effect that (i) the holders of the US Debt Securities of that series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge or as a result of the deposit and covenant defeasance and (ii) the deposit, defeasance and discharge or the deposit and covenant defeasance will not otherwise alter those holders’ U.S. federal income tax treatment of principal and interest payments on the US Debt Securities of that series and, in the case of a defeasance, this opinion is accompanied by a ruling to that effect received from or published by the Internal Revenue Service.

Payment; Exchange; Transfer

We will designate a place of payment where you can receive payment of the principal of and any premium and interest on the US Debt Securities or transfer the US Debt Securities. Even though we will designate a place of payment, we may elect to pay any interest on the US Debt Securities by mailing a check to the person listed as the owner of the US Debt Securities in the security register or by wire transfer to an account designated by that person in writing not less than ten days before the date of the interest payment. There will be no service charge for any registration of transfer or exchange of the US Debt Securities, but we may require you to pay any tax or other governmental charge payable in connection with a transfer or exchange of the US Debt Securities.

Governing Law

The New York indenture and the US Debt Securities shall be construed in accordance with and governed by the laws of the State of New York.

Concerning the Trustee

The trustee under the New York indenture will have all the duties and responsibilities of an indenture trustee specified in the TIA. The trustee is not required to expend or risk its own funds or otherwise incur financial liability in performing its duties or exercising its rights and powers if it reasonably believes that it is not reasonably assured of repayment or adequate indemnity.

Under applicable Canadian law, a Canadian licensed trust company may be required to be appointed as co-trustee under the New York indenture or any supplement to the New York indenture under which US Debt Securities are issued in connection with the issuance of any such US Debt Securities offered for sale in Canada and in the United States pursuant to this prospectus and a prospectus supplement. In such circumstances, we may make an application to the appropriate Canadian regulatory authorities prior to such issuance for exemptions from this and other requirements of Canadian law applicable to the indentures. If such relief is not sought or obtained, the applicable legislative requirements will be complied with at the time of the applicable offering.

Plan of Distribution

We may sell securities to or through underwriters, and we may also sell securities directly to other purchasers or through dealers or agents. Unless otherwise indicated in a prospectus supplement or other offering materials, the obligations of any underwriters to purchase the securities will be subject to conditions precedent and these underwriters will be obligated to purchase all the securities if any are purchased.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to these prevailing market prices or at negotiated prices. The prospectus supplement or other offering materials will describe the method of distribution of the securities.

In connection with the sale of securities, underwriters may receive compensation from us or from purchasers of securities for whom they may act as agents, in the form of discounts, concessions or commissions. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters, and any discounts or commissions received by them and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. Any underwriter, dealer or agent that will participate in the distribution of the securities will be identified, and any compensation it will receive will be described, in the prospectus supplement or other offering materials.

Under agreements which may be entered into by us, underwriters, dealers and agents who participate in the distribution of securities may be entitled to indemnification by us against some liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters, dealers or agents may be required to make relating to these liabilities. Any agreement in which we agree to indemnify underwriters, dealers and agents against civil liabilities will be described in the prospectus supplement or other offering materials.

If so indicated in a prospectus supplement or other offering materials, we will authorize dealers or other persons acting as our agent to solicit offers by some institutions to purchase securities from us pursuant to contracts providing for payment and delivery on a future date. Institutions with which these contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others.

Legal Matters

Unless otherwise indicated in the applicable prospectus supplement, certain legal matters as to US and New York law will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts. Certain legal matters as to Canadian law will be passed upon for us by Goodmans and Goodmans LLP. Legal counsel to any underwriters may pass upon legal matters for such underwriters.

Experts

The consolidated financial statements and financial statement schedule of Atlantic Power Corporation as of December 31, 2011 and 2010 and for each of the years in the three-year period ended December 31, 2011 appearing in Atlantic Power's Annual Report on Form 10-K for the year ended December 31, 2011, as amended (including the schedule appearing therein), have been so incorporated by reference herein in reliance upon the reports of the United States and Canadian firms of KPMG LLP, independent registered public accounting firms, incorporated by reference herein, and upon the authority of said firms as experts in accounting and auditing.

The financial statements of Chambers Cogeneration Limited Partnership as of December 31, 2010 and for the year then ended incorporated in this registration statement by reference to Atlantic Power's Annual Report on Form 10-K for the year ended December 31, 2011, as amended, have been so

incorporated in reliance on the report (which contains an explanatory paragraph relating to the Chambers Cogeneration Limited Partnership restatement of its financial statements as described in the Restatement of Previously Issued Financial Statements section of Note 2 to the financial statements) of PricewaterhouseCoopers LLP, independent auditors, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Capital Power Income L.P. as of December 31, 2010 and 2009 and for each of the years in the three year period ended December 31, 2010, incorporated by reference into this registration statement by reference to Atlantic Power's Current Report on Form 8-K/A filed with the SEC on December 20, 2011, have been so incorporated by reference herein in reliance on the report of the Canadian firm of KPMG LLP, an independent registered public accounting firm, and upon the authority of said firm as experts in auditing and accounting.

CERTIFICATE OF THE COMPANY

Dated: August 17, 2012

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada other than the province of Québec.

ATLANTIC POWER CORPORATION

By: (Signed) BARRY WELCH
Chief Executive Officer

By: (Signed) LISA DONAHUE
Interim Chief Financial Officer

ATLANTIC POWER CORPORATION

On Behalf of the Board of Directors

By: (Signed) IRVING GERSTEIN
Director

By: (Signed) JOHN MCNEIL
Director