

Capital Power Reports First Quarter 2014 Results

EDMONTON, ALBERTA--(Marketwired - April 25, 2014) - Capital Power Corporation (Capital Power, or the Company) (TSX:CPX) today released its financial results for the quarter ended March 31, 2014.

Funds from operations were \$90 million in the first quarter of 2014, down 13%, on a comparable basis, from \$103 million in the first quarter of 2013. Net income attributable to shareholders in the first quarter of 2014 was \$32 million, or \$0.33 per share, compared with \$34 million, or \$0.44 per share, in the comparable period of 2013. Normalized earnings attributable to common shareholders in the first quarter of 2014, after adjusting for one-time items and fair value adjustments, were \$25 million or \$0.31 per share compared with \$25 million or \$0.36 per share in the first quarter of 2013.

"Financial results in the first quarter were modestly below our expectations primarily due to a 10-day unplanned outage at Genesee 1," said Brian Vaasjo, President and CEO of Capital Power. "Despite the unplanned outage at Genesee 1, the rest of the fleet performed well with an overall average plant availability of 94% in the first quarter. With Alberta power prices generally in-line with our forecast for the remaining nine months of 2014, we remain on track to achieve our funds from operations financial target for this year."

"We have finalized joint arrangement agreements with ENMAX Corporation to advance the development, construction, and operation of the Genesee 4 and 5 facility," said Mr. Vaasjo. "Discussions relating to commercial agreements are on-going with the expectation that these agreements will be finalized when the project receives its full notice to proceed. Genesee 4 and 5 is scheduled for completion later this decade when additional generation in the province is required to meet growing demand and replace generation from the retirement of coal-fired units."

"We are pleased to welcome our new joint venture partners, Westmoreland Coal Company (Westmoreland) and Altius Minerals Corporation, on the Genesee coal mine as part of Westmoreland's recent acquisition of Prairie Mines & Minerals Royalty Ltd.'s coal operations. Westmoreland has strong experience in mine-mouth operations and is recognized as the lowest-cost fuel supplier to some of the cleanest, most economical and highly utilized coal-fired utility owned power plants in North America."

Operational and Financial Highlights¹ (unaudited)	
<i>(millions of dollars except per share and operational amounts)</i>	
Electricity generation (excluding acquired Sundance PPA) (GWh)	
Generation plant availability (excluding acquired Sundance PPA) (%)	
Revenues	\$
Adjusted EBITDA ²	\$
Net income	\$
Net income attributable to shareholders of the Company	\$
Normalized earnings attributable to common shareholders ²	\$
Basic earnings per share	\$
Diluted earnings per share	\$
Normalized earnings per share ²	\$
Funds from operations ²	\$
Purchase of property, plant and equipment and other assets	\$

Dividends per common share, declared

\$

¹ The operational and financial highlights in this press release should be read in conjunction with Management's Discussion Consolidated Financial Statements for the three months ended March 31, 2014.

² Earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange loss (EBITDA), normalized earnings attributable to common shareholders, normalized earnings per share, and funds from operations measures and do not have standardized meanings under GAAP and are, therefore, unlikely to be comparable to similar measures. Non-GAAP Financial Measures.

Significant Event

Construction of K2 Wind Power Project commences

On March 24, 2014, construction of the K2 Wind Power Project (K2 Wind) commenced following the successful completion of an \$850 million financing in the form of a construction loan that will convert to long-term project debt once K2 Wind starts commercial operations. K2 Wind is a 270 megawatt (MW) wind power project located in Goderich, Ontario that is under joint development by Samsung Renewable Energy, Inc., Pattern Energy Group LP and Capital Power with operations expected to commence in the second half of 2015. The total estimated project cost has been revised upward to \$930 million from the previous upper end of range of \$900 million primarily due to foreign exchange changes on U.S. contract deliverables. Capital Power's share is \$310 million. As a higher portion of the project is expected to be financed with project debt than originally forecast, Capital Power expects higher equity returns on the project.

Subsequent Events

Genesee 4 and 5

On April 24, 2014, Capital Power and ENMAX Corporation (ENMAX) executed a purchase and sale agreement in support of a joint arrangement agreement to jointly develop, construct, and operate the Genesee 4 and 5 power project. The joint arrangement agreement will provide provisions for, among other things, an agreement for ENMAX to purchase approximately 225 MW from Capital Power for eight years. The joint arrangement agreement closing is expected to occur in May 2014.

Genesee coal mine

Capital Power is a party to various agreements with Prairie Mines & Minerals Royalty Ltd. (PMRL) in relation to the operations of the Genesee coal mine (Genesee Coal Mine Agreements). Pursuant to the Genesee Coal Mine Agreements, PMRL operates the Genesee Coal Mine. In connection with the acquisition by Westmoreland Coal Company (Westmoreland) of PMRL and the acquisition by Altius Minerals Corporation (Altius) of the royalty assets of PMRL, the Genesee Coal Mine Agreements and certain related agreements have, amongst other things, been amended to: (a) confirm the acquisitions by Westmoreland and Altius; and (b) provide for certain amendments to the Genesee Coal Mine Agreements.

Analyst Conference Call and Webcast

Capital Power will be hosting a conference call and live webcast with analysts on April 28, 2014 at 11:00 AM (ET) to discuss the first quarter results. The conference call dial-in numbers are:

(604) 681-8564 (Vancouver)

(403) 532-5601 (Calgary)

(416) 623-0333 (Toronto)

(514) 687-4017 (Montreal)

(855) 353-9183 (toll-free from Canada and USA)

Participant access code for the call: 21543#

A replay of the conference call will be available following the call at: (855) 201-2300 (toll-free) and entering conference reference number 1153040# followed by participant code 21543#. The replay will be available until midnight on July 28, 2014. Interested parties may also access the live webcast on the Company's website at www.capitalpower.com with an archive of the webcast available following the conference call.

Non-GAAP Financial Measures

The Company uses (i) adjusted EBITDA, (ii) funds from operations, (iii) normalized earnings attributable to common shareholders, and (iv) normalized earnings per share as financial performance measures. These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP, and are, therefore, unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to gross income, net income, net income attributable of shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company's results of operations from management's perspective. Reconciliations of adjusted EBITDA to gross income, operating income and net income, funds from operations to net cash flows from operating activities and normalized earnings attributable to common shareholders to net income attributable to shareholders of the Company are contained in the Company's Management's Discussion and Analysis dated April 24, 2014 for the three months ended March 31, 2014 which is available under the Company's profile on SEDAR at www.SEDAR.com.

Forward-looking Information

Forward-looking information or statements included in this press release are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this press release is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes.

Material forward-looking information in this press release includes information with respect to expectations regarding: (i) future cash flows, and (ii) completion of capital projects.

These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements relate to: (i) electricity and other energy prices, (ii) performance, (iii) business prospects and opportunities including expected growth and capital projects, (iv) status and impact of policy, legislation and regulation, and (v) effective tax rates.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such material risks and uncertainties are: (i) changes in electricity prices in markets in which the Company operates, (ii) changes in energy commodity market prices and use of derivatives, (iii) regulatory and political environments including changes to environmental, financial reporting and tax legislation,

(iv) power plant availability and performance including maintenance expenditures, (v) ability to fund current and future capital and working capital needs, (vi) acquisitions and developments including timing and costs of regulatory approvals and construction, (vii) changes in market prices and availability of fuel, and (viii) changes in general economic and competitive conditions. See Risks and Risk Management in the Company's December 31, 2013 annual Management's Discussion and Analysis for further discussion of these and other risks.

CONTACT INFORMATION

- Media Relations:
Michael Sheehan
(780) 392-5222
msheehan@capitalpower.com

Investor Relations:
Randy Mah
(780) 392-5305 or (866) 896-4636 (toll-free)
investor@capitalpower.com