

WASHINGTON STATE REGULATOR ISSUES DECISION REGARDING LONG-TERM CONTRACT FOR CENTRALIA PLANT

CALGARY, ALBERTA--(Marketwire - Jan. 10, 2013) - TransAlta Corporation (TSX:TA)(NYSE:TAC) announced today that the Washington Utilities and Transportation Commission issued a decision approving, with conditions, a long-term power purchase agreement between Puget Sound Energy ("PSE") and TransAlta's subsidiary TransAlta Centralia Generation LLC (TransAlta) for the Centralia, Washington power plant. PSE has ten days from the date of the order to petition for reconsideration or relief of the terms under the order. The proposed agreement would permit PSE to purchase an average 346 megawatts of coal transition power from TransAlta's Centralia power plant.

TransAlta is a power generation and wholesale marketing company focused on creating long-term shareholder value. TransAlta maintains a low-to-moderate risk profile by operating a highly contracted portfolio of assets in Canada, the United States and Australia. TransAlta's focus is to efficiently operate geothermal, wind, hydro, natural gas and coal facilities in order to provide customers with a reliable, low-cost source of power. For over 100 years, TransAlta has been a responsible operator and a proud contributor to the communities in which it works and lives. TransAlta has been selected by Jantzi-Sustainalytics as one of Canada's Top 50 Socially Responsible Companies since 2009 and is recognized globally for its leadership on sustainability and corporate responsibility standards by FTSE4Good. TransAlta is Canada's largest investor-owned renewable energy provider.

This news release may contain forward looking statements, including statements regarding the business and anticipated financial performance of TransAlta Corporation. These statements are based on TransAlta Corporation's belief and assumptions based on information available at the time the assumption was made. These statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include, pricing in the market place, our inability to enter into long term contracts due to prevailing market conditions, legislative or regulatory developments, competition, global capital markets activity, changes in interest rates, currency exchange rates, inflation levels and general economic conditions in geographic areas where TransAlta Corporation operates.

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