| unaudited pro forma | consolidated in | nformation | conforms | to the | presentation | of both | the unaudite | d financial |
|---------------------|-----------------|------------|----------|--------|--------------|---------|--------------|-------------|
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| actually occurred as a result of the curtailments and other p | lant outages in the region. | Although no requirements |
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additional charges for GHG emissions are anticipate

The impact of the decrease in availability on the plant's output was more than offset by the impact of higher water flow levels in the first half of 2010 compared with the first half of 2009.

Financial results

| (unaudited, \$millions) | Three month | Three months ended | | Six months ended | |
|-------------------------|-------------|---------------------|----------|---------------------|--|
| | June 30, | June 30, | June 30, | June 30, | |
| | 2010 | 2009 ⁽²⁾ | 2010 | 2009 ⁽²⁾ | |

Revenues

Normalized net income and normalized earnings per s

Related Party Transactions

International Financial Reporting Standard

IFRS 3 Business Combinations

However, the International Accounting Standards Board issued an exposure draft which proposes to

Financial Instruments

of labour, equipment and management resources; (xii

Results by plant category

| (unaudited, \$ millions) | Three months ended | | | |
|--|--------------------|-------------------|-----------------|---------------------------------|
| | June 30, 2010 | March 31, 2010 | Dec 31, 2009 | Sept 30, 2009 ⁽²⁾ |
| Revenues | | | | |
| Alberta commercial plants and portfolio optimization | \$ 197 | \$ 235 | \$ 248 | \$ 238 |
| Alberta contracted plants | 55 | 72 | 61 | 70 |
| Ontario/British Columbia contracted plants | 4 | 3 | 4 | 4 |
| CPILP plants | 116 | 139 | 130 | 123 |
| Other portfolio activities | 25 | 43 | 40 | 23 |
| Inter-plant category transaction eliminations | (10) | (10) | (9) | (10) |
| Unrealized fair value changes in derivative instruments and natural gas inventory held for trading | 387 | 482 | 474 | 448 |
| - CPLP | (55) | 12 | 15 | |

CAPITAL POWER CORPORATION

CAPITAL POWER CORPORATION

Consolidated Statements of Cash Flows (Unaudited, in millions of dollars)

| | Three months ended | Six months ended | |
|-----------------------|--------------------|------------------|-----|
| | June 30, | June | 30, |
| | 2010 | 2010 | |
| Operating activities: | | | |
| Net income (loss) | \$ (8) | \$ | 5 |

Notes to Interim Consolidated Financial Statements June 30, 2010

(Unaudited, tabular amounts in millions of dollars)(1)-5.f1TjTJ 8 J 12 Tf 0.99809 0 0 1 94927.08 T98(TjTJ /R11 9 Tf 0.998067 0 0 30

CAPITAL POWPC