

Regional Descriptions

Our **Western Canada** assets consist of five coal units, three gas-fired facilities, thirteen hydro facilities, and three wind farms with a total gross generating capacity of 5,164 MW (4,882 MW net of ownership interest). We are currently constructing a 450 MW coal-fired unit at our Keephills facility under a joint venture with EPCOR and are adding an additional 53 MW of capacity to unit four of our Sundance facility. The additional capacity for the Sundance facility is scheduled to go in to production in the latter part of the third quarter of 2007, while the additional unit at our Keephills facility is scheduled to enter commercial production in 2011.

Our **Eastern Canada** assets comprise of four gas fired facilities with a total gross generating capacity of 819 MW (697 MW net of ownership interest). All four facilities earn revenue under long-term contracts for which revenues are derived from payments for capacity and/or the production of electrical energy and steam. Kent Hills, a 75 MW wind farm located in New Brunswick, is currently under development and is scheduled to begin commercial operations in 2008.

Our **International** assets comprise of gas, coal, hydro, and geothermal assets in various locations in the United States with a generating capacity of 2,083 MW and gas and diesel fired assets in Australia with a generating capacity of 300 MW. 378 MW of our United States assets are operated by CE Gen, a joint venture owned 50 per cent by TransAlta.

TransAlta Generation Gross Margins - Q1 2007

	Production (GWh)	Installed (GWh) ¹	Revenue	Fuel & Purchased power	Gross margin	Revenue per installed MWh	Fuel & Purchased Power per installed MWh	Gross Margin per installed MWh
Western Canada	8,817	11,309.1	348.4	117.6	230.8	30.81	10.40	20.41
Eastern Canada	985	1,793.6	128.0	85.4	42.6	71.36	47.61	23.75
International	2,895	5,218.8	195.5	87.7	107.8	37.46	16.80	20.66
	<u>12,697</u>	<u>18,321.5</u>	<u>671.9</u>	<u>290.7</u>	<u>381.2</u>	<u>36.67</u>	<u>15.87</u>	<u>20.81</u>

¹Installed GWh is calculated based upon gross generating capacity of 8,366 MW multiplied by 2,190 hours divided by 1,000.

TransAlta Generation Gross Margins - Q1 2006

	Production (GWh)	Installed (GWh) ¹	Revenue	Fuel & Purchased power	Gross margin	Revenue per installed MWh	Fuel & Purchased Power per installed MWh	Gross Margin per installed MWh
Western Canada	8,803	11,309.1	347.3	109.2	238.1	30.71	9.66	21.05
Eastern Canada	771	1,793.6	130.6	82.5	48.1	72.81	46.00	26.81
International	2,870	5,218.8	202.1	103.6	98.5	38.72	19.85	18.88
	<u>12,444</u>	<u>18,321.5</u>	<u>680.0</u>	<u>295.3</u>	<u>384.7</u>	<u>37.11</u>	<u>16.12</u>	<u>21.00</u>

¹Installed GWH is calculated based upon gross generating capacity of 8,366 MW multiplied by 2,190 hours divided by 1,000.

TransAlta Generation Gross Margins - Q2 2006

	Production (GWh)	Installed (GWh) ¹	Revenue	Fuel & Purchased power	Gross margin	Revenue per installed MWh	Fuel & Purchased Power per installed MWh	Gross Margin per installed MWh
Western Canada	7,988	11,309.1	277.8	85.2	192.6	24.56	7.53	17.03
Eastern Canada	802	1,793.6	109.4	70.9	38.5	60.99	39.53	21.47
International	1,261	5,218.8	167.4	85.1	82.3	32.08	16.31	15.77
	<u>10,051</u>	<u>18,321.5</u>	<u>554.6</u>	<u>241.2</u>	<u>313.4</u>	<u>30.27</u>	<u>13.16</u>	<u>17.11</u>

¹Installed GWH is calculated based upon gross generating capacity of 8,366 MW multiplied by 2,190 hours divided by 1,000.

TransAlta Generation Gross Margins - Q3 2006

	Production (GWh)	Installed (GWh) ¹	Revenue	Fuel & Purchased power	Gross margin	Revenue per installed MWh	Fuel & Purchased Power per installed MWh	Gross Margin per installed MWh
Western Canada	8,058	11,309.1	293.0	96.5	196.5	25.91	8.53	17.38
Eastern Canada	885	1,793.6	103.5	72.4	31.1	57.71	40.37	17.34
International	3,477	5,218.8	239.1	133.2	105.9	45.82	25.52	20.29
	<u>12,420</u>	<u>18,321.5</u>	<u>635.6</u>	<u>302.1</u>	<u>333.5</u>	<u>34.69</u>	<u>16.49</u>	<u>18.20</u>

¹Installed GWH is calculated based upon gross generating capacity of 8,366 MW multiplied by 2,190 hours divided by 1,000.

TransAlta Generation Gross Margins - Q4 2006

	Production (GWh)	Installed (GWh) ¹	Revenue	Fuel & Purchased power	Gross margin	Revenue per installed MWh	Fuel & Purchased Power per installed MWh	Gross Margin per installed MWh
Western Canada	8,652	11,309.1	373.4	111.9	261.5	33.02	9.89	23.12
Eastern Canada	895	1,793.6	110.1	74.5	35.6	61.38	41.54	19.85
USA	3,751	5,218.8	258.2	161.2	97.0	49.47	30.89	18.59
	<u>13,298</u>	<u>18,321.5</u>	<u>741.7</u>	<u>347.6</u>	<u>394.1</u>	<u>40.48</u>	<u>18.97</u>	<u>21.51</u>

¹Installed GWH is calculated based upon gross generating capacity of 8,366 MW multiplied by 2,190 hours divided by 1,000.