



TransΔlta

**Investor
Presentation**

September 2008

We're ready
for a changing world

Forward looking statements

This presentation may contain forward-looking statements, including statements regarding the business and anticipated financial performance of TransAlta Corporation. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. These statements are not guarantees of our future performance and 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 cost of fuels to produce electricity, legislative or regulatory developments, competition, global capital markets activity, changes in prevailing interest rates, currency exchange rates, inflation levels, unanticipated accounting or audit issues with respect to our financial statements or our internal control over financial reporting, plant availability, and general economic conditions in geographic areas where TransAlta Corporation operates. Given these uncertainties, the reader should not place undue reliance on this forward-looking information, which is given as of this date. The material assumptions in making these forward-looking statements are disclosed in our 2007 Annual Report to shareholders and other disclosure documents filed with securities regulators.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

TransAlta Value Proposition

VALUE PROPOSITION

Consistent Returns

Yield & Growth

Dividend + earnings growth

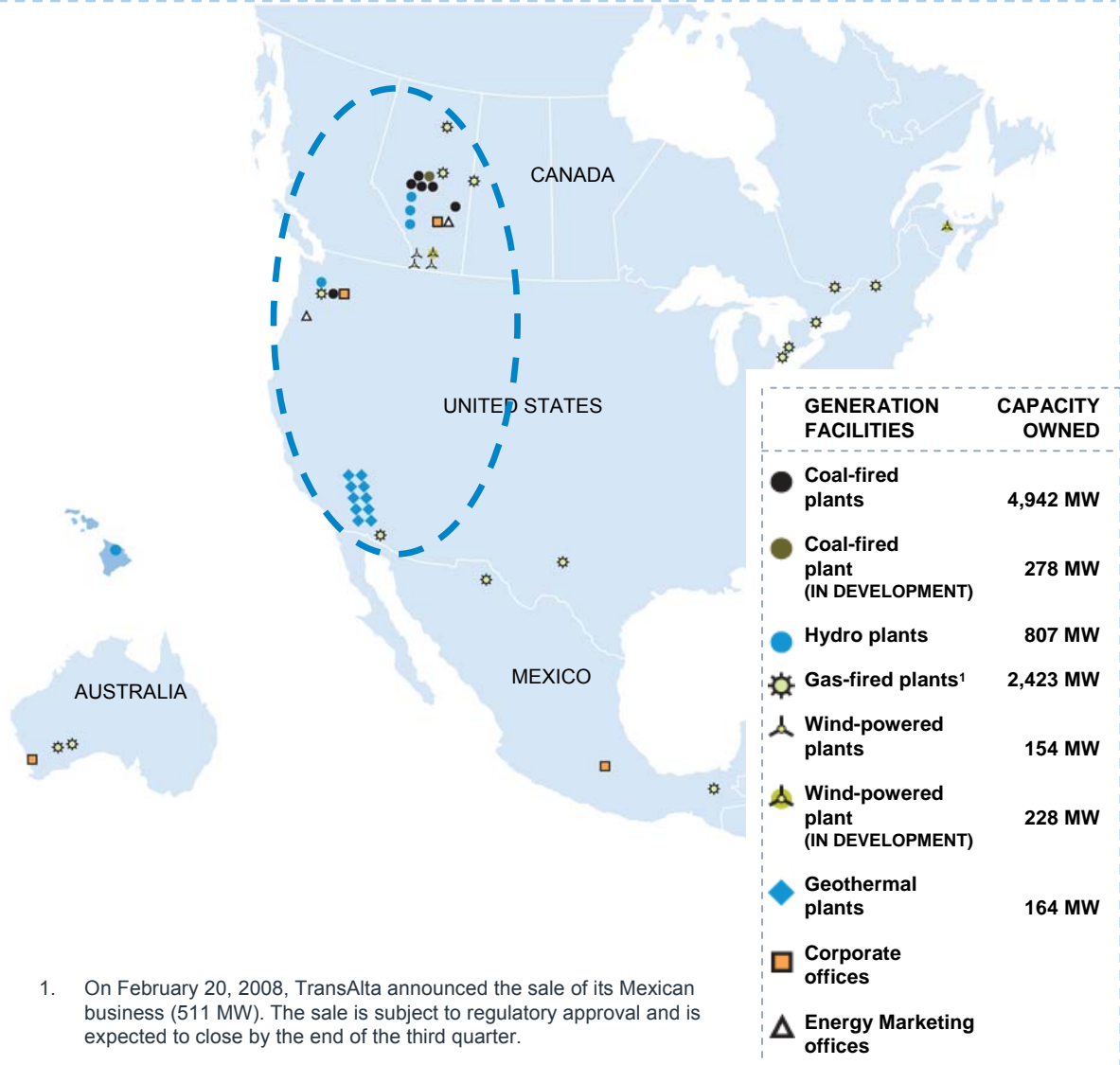
Exposure to Growing Power Markets

Low to Moderate Risk Business Model

Diversified fleet
 Mix of contracts
 Operational excellence
 Environmental leadership

Financial Strength

Strong balance sheet
 Good liquidity
 Balanced capital allocation



Energizing the West

Well positioned to capture increasing value given higher prices in core markets, re-contracting, and focused growth strategy

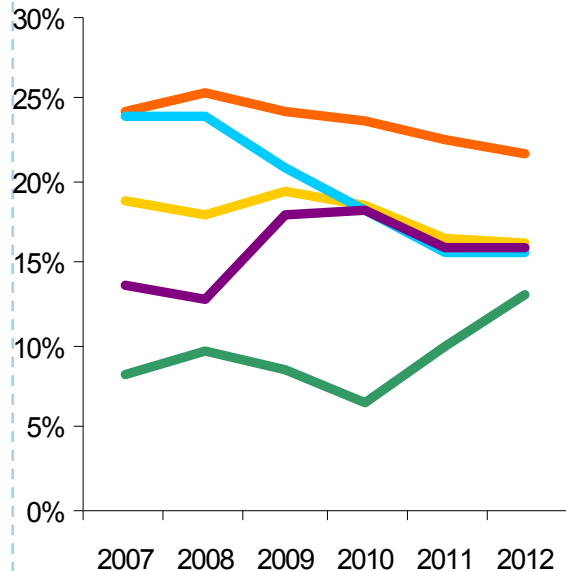
- Near-term (2008 – 2012) – higher electricity prices and re-contracting of open merchant position fuels strong earnings and cash flow growth
- Long-term (2013+) – EPS and cash flow growth driven by organic growth in renewables and co-gen in western markets where we control resources
- Achieve top decile operations from base fleet
- Balance allocation of capital to deliver near and long-term value
 - Funding of growth achieved through internal resources, portfolio optimization and partners;
 - Returning capital to shareholders through dividends and share buyback
- Maintain low to moderate risk strategy and a strong balance sheet
- Focus on delivering 10%+ project IRRs and 10%+ ROCE and TSR consistently



1. On February 20, 2008, TransAlta announced the sale of its Mexican business (511 MW). The sale is subject to regulatory approval and is expected to close by the end of the third quarter.

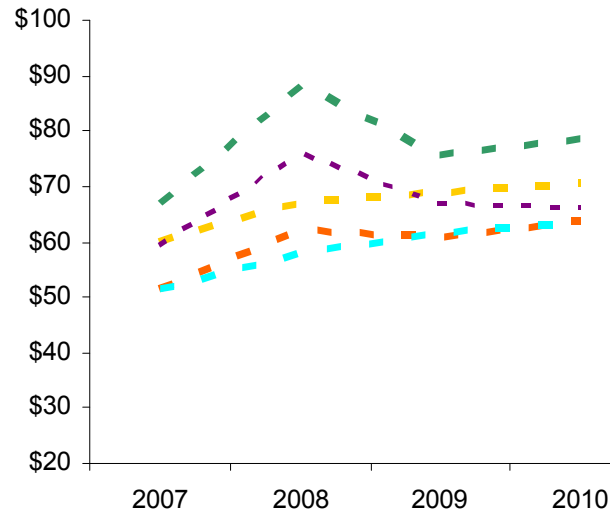
Western market fundamentals continue to support financial expectations

RESERVE MARGIN^{1&2}

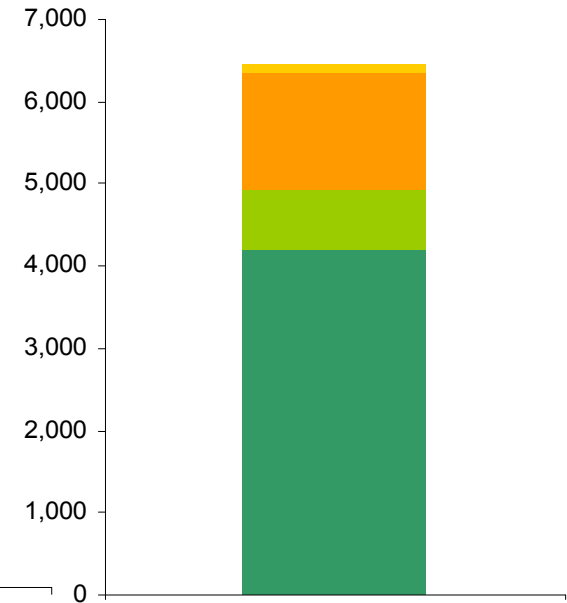


— Alberta
— PacNW
— California
— BC
— Desert South West

AVERAGE FORWARD TRADING PRICES^{1&3}



WESTERN MARKET EXPOSURE

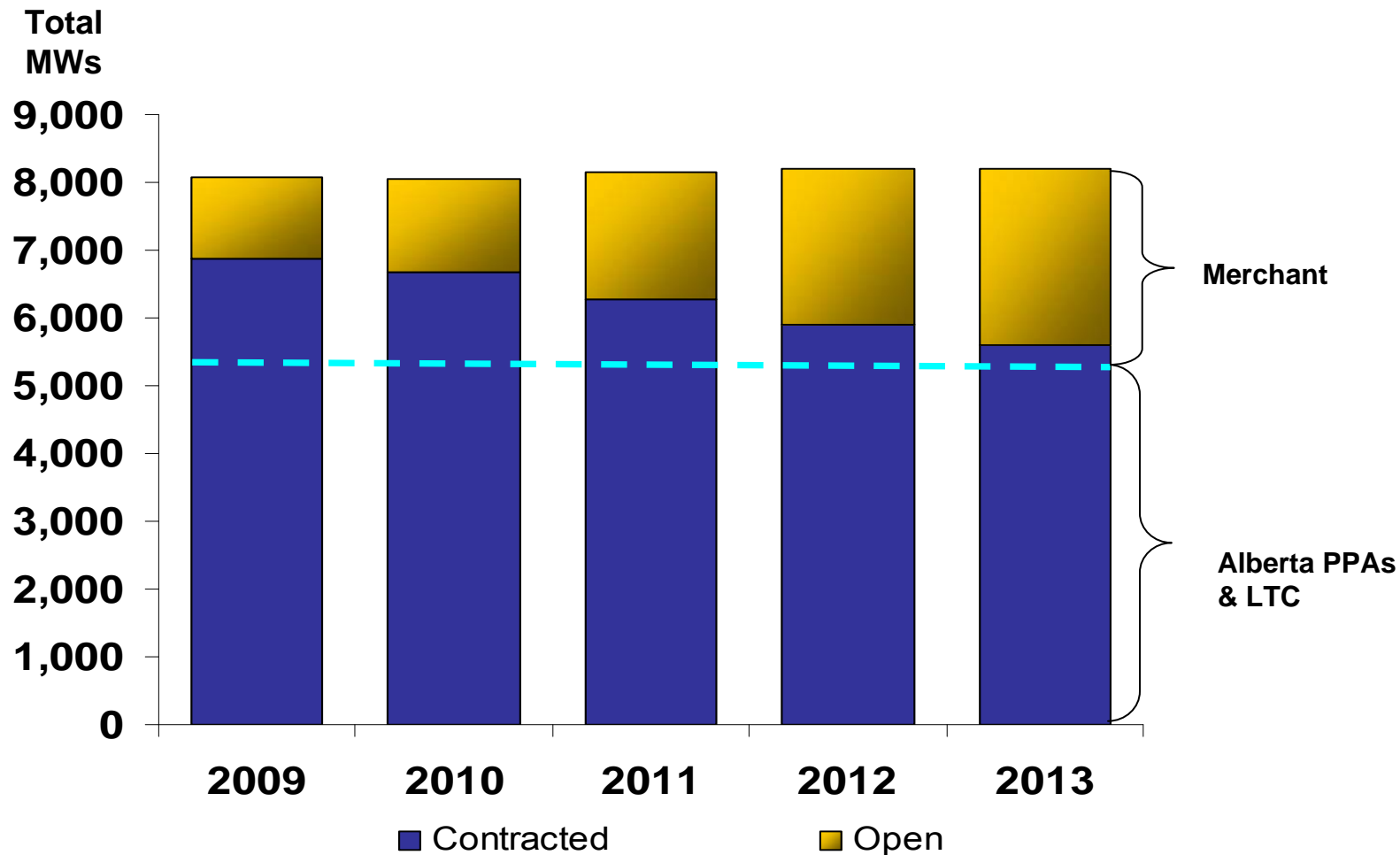


■ AB PPA & LTC
■ AB Merchant
■ Centralia
■ CE Gen

1. Based on data from PIRA and CERA
2. Assumes normal hydro
3. Average forward trading prices as of Sept. 18, 2008, AB \$C, US \$US

Alberta & PACNW open merchant position provide opportunity to capture upside of higher prices

Disciplined hedging strategy that provides for more secure earnings and cash profile in a volatile and cyclical commodity market



Western-focused growth plans fuel earnings expansion beyond 2012

FOCUS

Short-term: 2008 - 2012

- Renewable growth in the west
 - Wind
 - Geothermal
- Co-generation in Alberta
- Thermal uprates
- CCS Pilot
- CO₂ offsets

Medium-term: 2013 - 2015

- Co-generation in Alberta
- Alberta thermal life cycle investment
- Small hydro storage optimization
- CO₂ offsets

Longer-term: 2016+

- Coal with CCS
- Partner in large hydro
- Equity share in nuclear



Geographic focus, contract and asset mix, and fuel selection dominate strategic choices

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5-yr development plan* leverages expertise and focuses on renewables and cogeneration

WIND CO-GEN HYDRO GEOTHL THERMAL

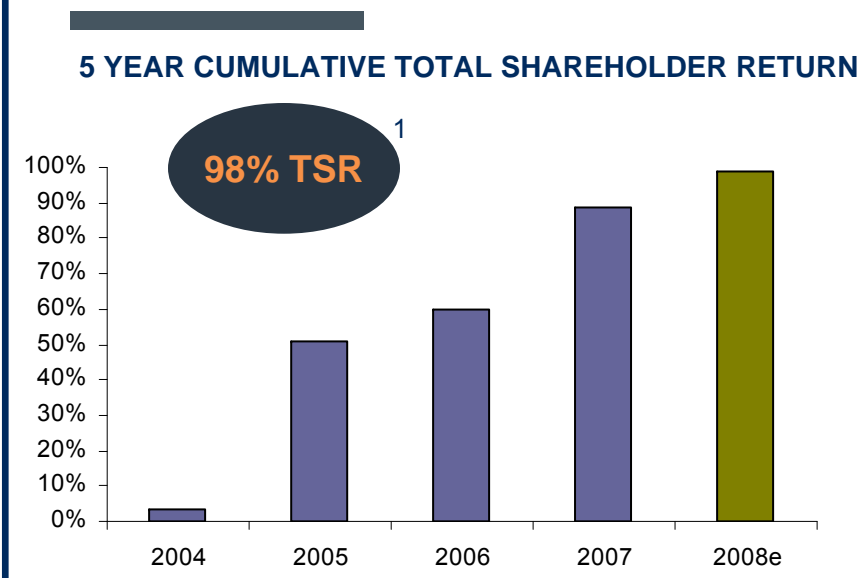
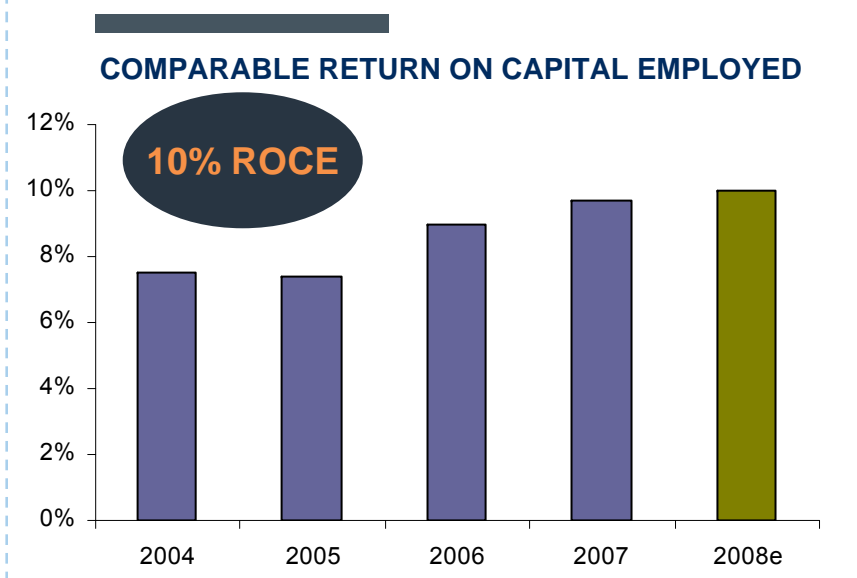
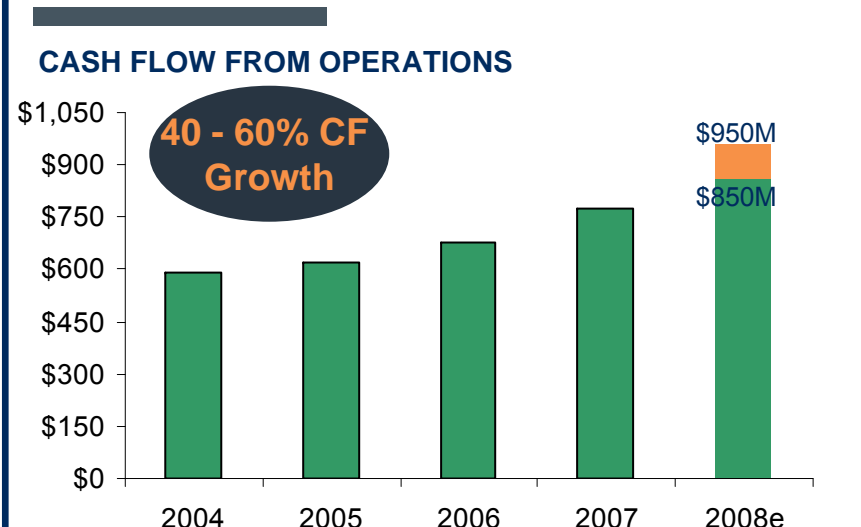
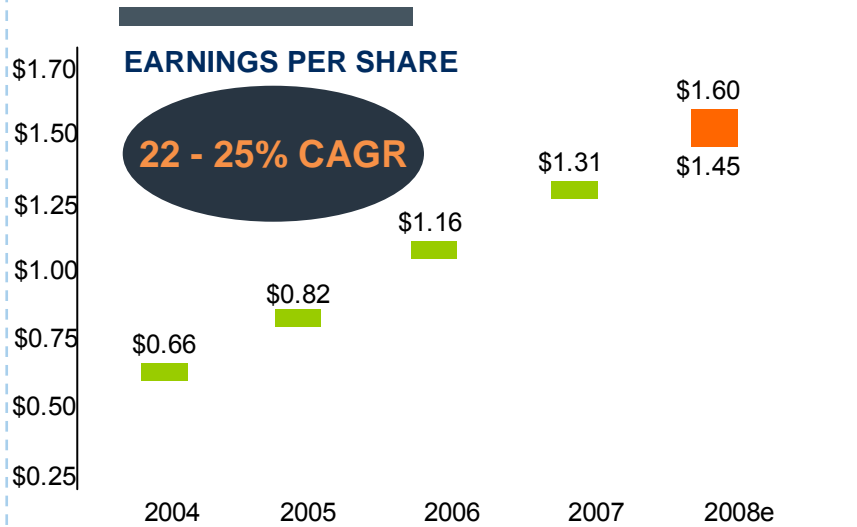


TOTAL

*Sept, 08

	WIND	CO-GEN	HYDRO	GEOTHL	THERMAL	TOTAL
AB	844 MW	665 MW	Storage rights optimization		99 MW	1,608 MW
NB	83 MW					83 MW
SASK	99 MW					99 MW
CA				87 MW		87 MW
Total MW:	1,026 MW	665 MW		87 MW	99 MW	1,877 MW
Total Est:						\$3.5 - \$4.5B

Solid track record of results



1. Based on 10% TSR in 2008