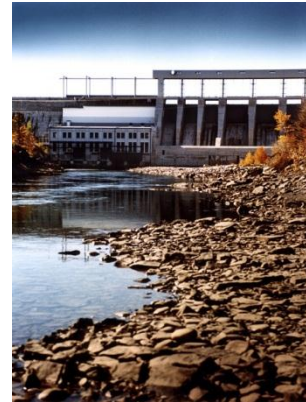
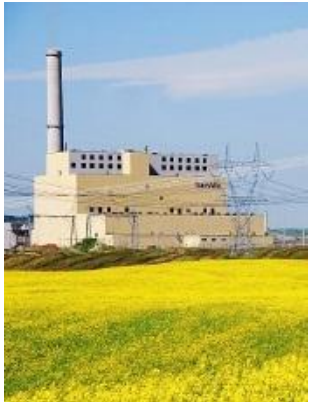




CIBC 2013 Institutional Investor Conference

Dawn Farrell
Chief Executive Officer



POWER INFRASTRUCTURE

Forward looking statements

This presentation contains 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 pricing in the market place, our inability to contract Centralia as expected, a reduction in our Dividend Reinvestment Plan participation, our inability to achieve funds from operations as expected, an increase in the cost of fuels to produce electricity, our inability to enter into long-term contracts due to prevailing market conditions, our inability to complete growth projects as planned, legislative or regulatory developments, changes in prevailing interest 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 November 28, 2012. The material assumptions in making these forward looking statements are addressed in our third quarter report, our 2011 Annual Report to shareholders and in our most recent Annual Information Form along with other disclosure documents filed with securities regulators.

Any "financial outlook" or "future oriented financial information" in this presentation, as defined by applicable securities legislation, is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Except to the extent required by law, we assume no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. All forward looking statements in this presentation are expressly qualified in their entirety by these cautionary statements. For information on our risks please refer to the Company's Annual Information form which has been filed on SEDAR and can be accessed at www.sedar.com.

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

This presentation may contain references to comparable earnings, comparable earnings per share, comparable EBITDA, funds from operations, and funds from operations per share which are not defined under IFRS. Refer to the Non-IFRS financial measures section of TransAlta's third quarter 2012 MD&A for an explanation and, where applicable, reconciliations to net earnings attributable to common shareholders and cash flow from operating activities. The presentation may also contain references to gross margin and operating income, which are Additional IFRS measures. Please refer to the Additional IFRS measures section of the MD&A.

TransAlta today

We are diversified and well positioned to grow



- ▶ 5 fuel types; 3 key markets; significant growth
- ▶ Significant knowledge from Marketing and Energy Trading organization
- ▶ Highly contracted, secured cash flows

Coal
4,940 MW



Gas
1,913 MW



Hydro
919 MW



Wind
1,129 MW



Geothermal
164 MW

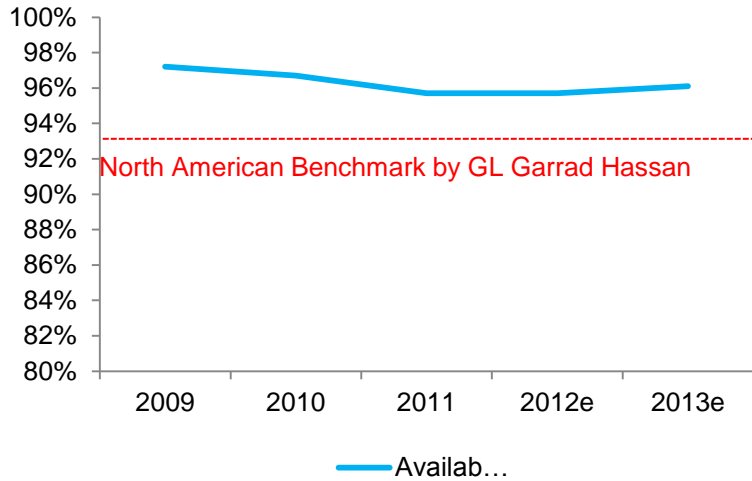


2012 accomplishments position TransAlta for growth

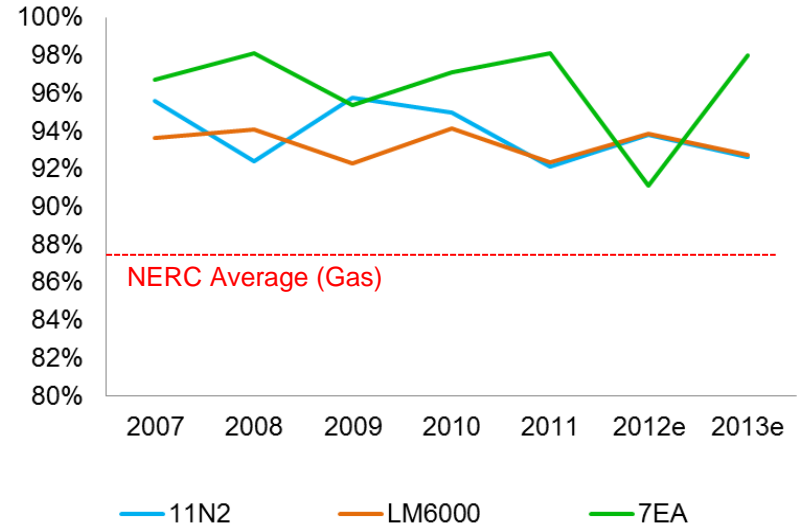
- Completed 3 year investment in planned end of life major maintenance for coal fleet
- Re-contracted Centralia and reduced operating and capital costs
- Finalized the Sundance A and Sundance 3 arbitrations
 - Operating practices validated
 - Re-build of Sun A units in progress; will add future cash
- Managed issues surrounding environmental regulations
 - Final Canadian GHG regulations provide added value for TransAlta
- Increased competitiveness
 - Realigned organization to better deliver on growth strategy
 - Partnership with Mid-American
 - Solomon Acquisition

Fleet performance consistently above industry standards

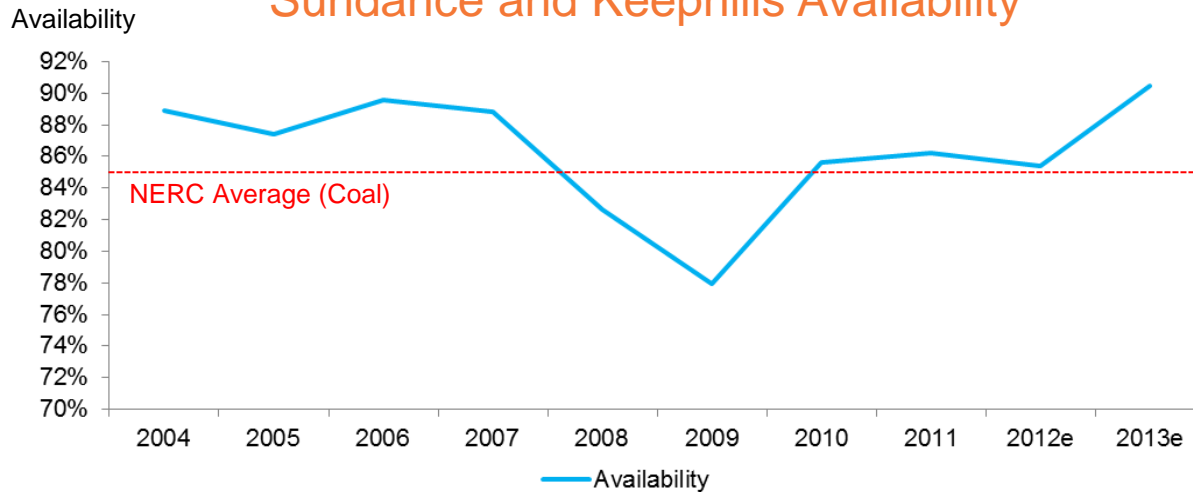
Wind Availability



Gas turbine technology

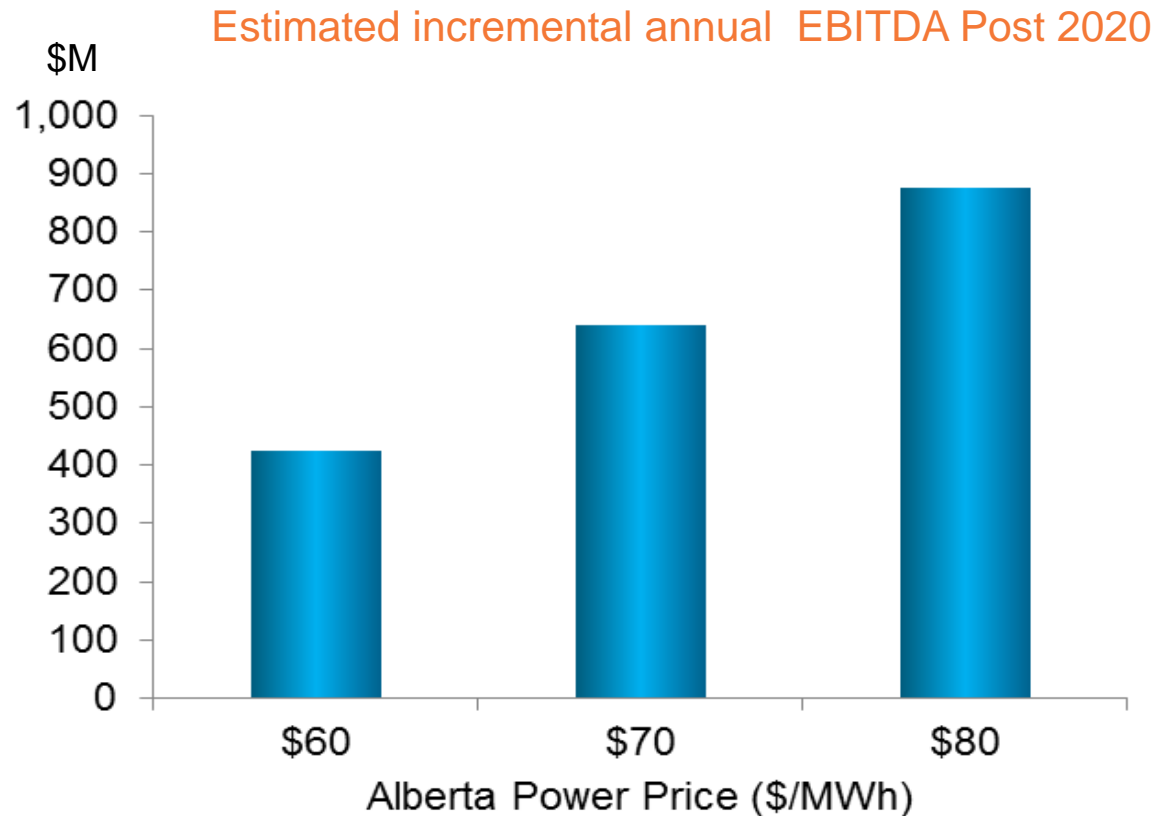


Sundance and Keephills Availability



Significant longer-term value

Expiry of the Alberta Coal and Hydro PPAs is expected to provide significant EBITDA and dividend coverage upside



Cumulative potential upside (2021 – 2030)
\$4.4 - \$8.4 billion

2013 Plan

Strategic objectives

- Deliver one greenfield project from MidAmerican partnership
- Add \$40 - \$60 million of EBITDA from growth
- Return trading to \$40 - \$60 million in gross margin
- Grow customer business to 500 MW in Alberta in 2013 and add long-term contracts to support Sun 7
- Add new long-term contracts in Centralia

Financial objectives

- Achieve \$800 – \$900 million in FFO
- Maintain dividend
- Strengthen balance sheet
- Continued access to multiple sources of capital
- Maintain strong liquidity

Operational objectives

- Achieve availability of 89 – 90%
- Return sustaining capital to \$350 million per year run rate
- Offset inflation on OM&A costs
- Deliver Sundance A rebuild at \$190 million
- Commission New Richmond
- Achieve safety IFR < 1

People and culture

- Complete realignment of organization
- Build Shared Services organization
- Implement new compensation structure