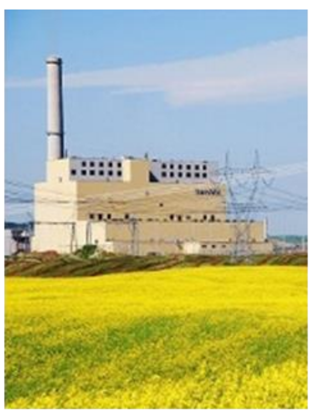
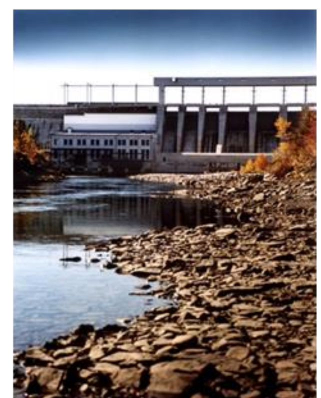
CIBC 2014 Institutional Investor Conference

Dawn Farrell
Chief Executive Officer




Forward Looking Statements

This presentation may contain forward-looking statements pertaining to the following: the timing and the completion and commissioning of projects under development including major projects and their attendant costs; our estimated spend on matters relating to the recent flood in Alberta; spend on growth and sustaining capital and productivity projects; expectations in terms of the cost of operations, capital spend, and maintenance, and the variability of those costs; the impact of certain hedges on future reported earnings and cash flows; expectations related to future earnings and cash flow from operating and contracting activities; estimates of fuel supply and demand conditions and the costs of procuring fuel; expectations for demand for electricity in both the short term and long term, and the resulting impact on electricity prices; expected impacts of anticipated turnarounds, load growth, increased capacity, and natural gas costs on power prices; expectations in respect of generation availability, capacity, and production; expected governmental regulatory regimes and legislation and their expected impact on us, as well as the cost of complying with resulting regulations and laws; our trading strategy and the risk involved in these strategies; estimates of future tax rates, future tax expense, and the adequacy of tax provisions; accounting estimates; anticipated growth rates in our markets; expectations for the outcome of existing or potential legal and contractual claims; expected financing of our capital expenditures; expectations for the ability to access capital markets at reasonable terms; the estimated impact of changes in interest rates and the value of the Canadian dollar relative to the U.S. dollar and the Australian dollar; the monitoring of our exposure to liquidity risk; expectations in respect to the global economic environment; our credit practices and the estimated contribution of Energy Trading activities to gross margin.

Factors that may adversely impact our forward-looking statements include risks relating to: fluctuations in market prices and the availability of fuel supplies required to generate electricity; our ability to contract our generation for prices that will provide expected returns; the regulatory and political environments in the jurisdictions in which we operate; environmental requirements and changes in, or liabilities under, these requirements; changes in general economic conditions including interest rates; operational risks involving our facilities, including unplanned outages at such facilities; disruptions in the transmission and distribution of electricity; the effects of weather; disruptions in the source of fuels, water, or wind required to operate our facilities; natural disasters; the threat of domestic terrorism and cyber-attacks; equipment failure; energy trading risks; industry risk and competition; fluctuations in the value of foreign currencies and foreign political risks; the need for additional financing; structural subordination of securities; counterparty credit risk; insurance coverage; our provision for income taxes; legal and contractual proceedings involving the Corporation; reliance on key personnel; labor relations matters and the successful completion of development projects and acquisitions. The foregoing risk factors, among others, are described in further detail in the Risk Management section of our 2012 Annual MD&A and under the heading “Risk Factors” in our 2013 Annual Information Form.

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 our 2013 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 2012 annual 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 – Key Messages

TransAlta

Leading Diversified Power Generation Company	• ~9,200 MW spanning multiple fuels and markets • Over 75 facilities • ~2,400 MW of renewable energy
Proven Track Record	• 100 years of operating history • Disciplined approach to capital allocation
Sound Financial and Business Profile	• Highly contracted asset base • Investment grade credit ratings • Robust access to capital • Significant cash flow upside post-PPA
Disciplined Growth	• ~1,800 MWs added over past 5 years • Located in markets with strong fundamentals • TransAlta Renewables and strategic partnerships to fund growth

Strategic Evolution of TransAlta

TransAlta

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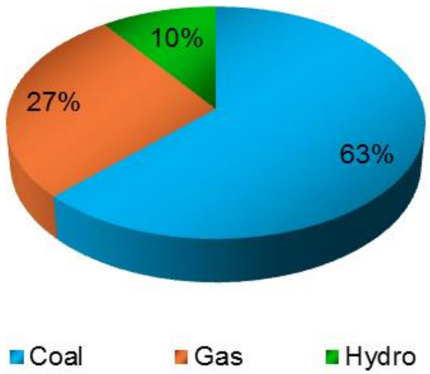

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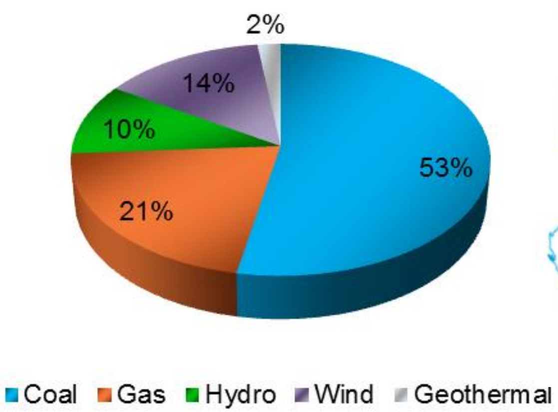


Actively shifting our business mix by growing renewables

[1]*Net Capacity Ownership Interest. Includes 100% of TransAlta Renewables' assets.*

Recent Business Highlights

TransAlta

Stabilizing cash flows and extending the life of assets through re-contracting

- Contract extension for 245 MW in Australia (Q4/13)
- 20-year contract for 74 MW at Ottawa with Ontario Power Authority (Q3/13)
- 24-year contract with Salt River Project in Arizona for 50 MW at Cal Energy LLC (Q3/13)
- 24-year contract with City of Riverside in California for 86 MW at Cal Energy LLC (Q2/13)
- 11-year contract with Puget Sound Energy for up to 380 MW at Centralia (Q2/13)

Creating value through growth

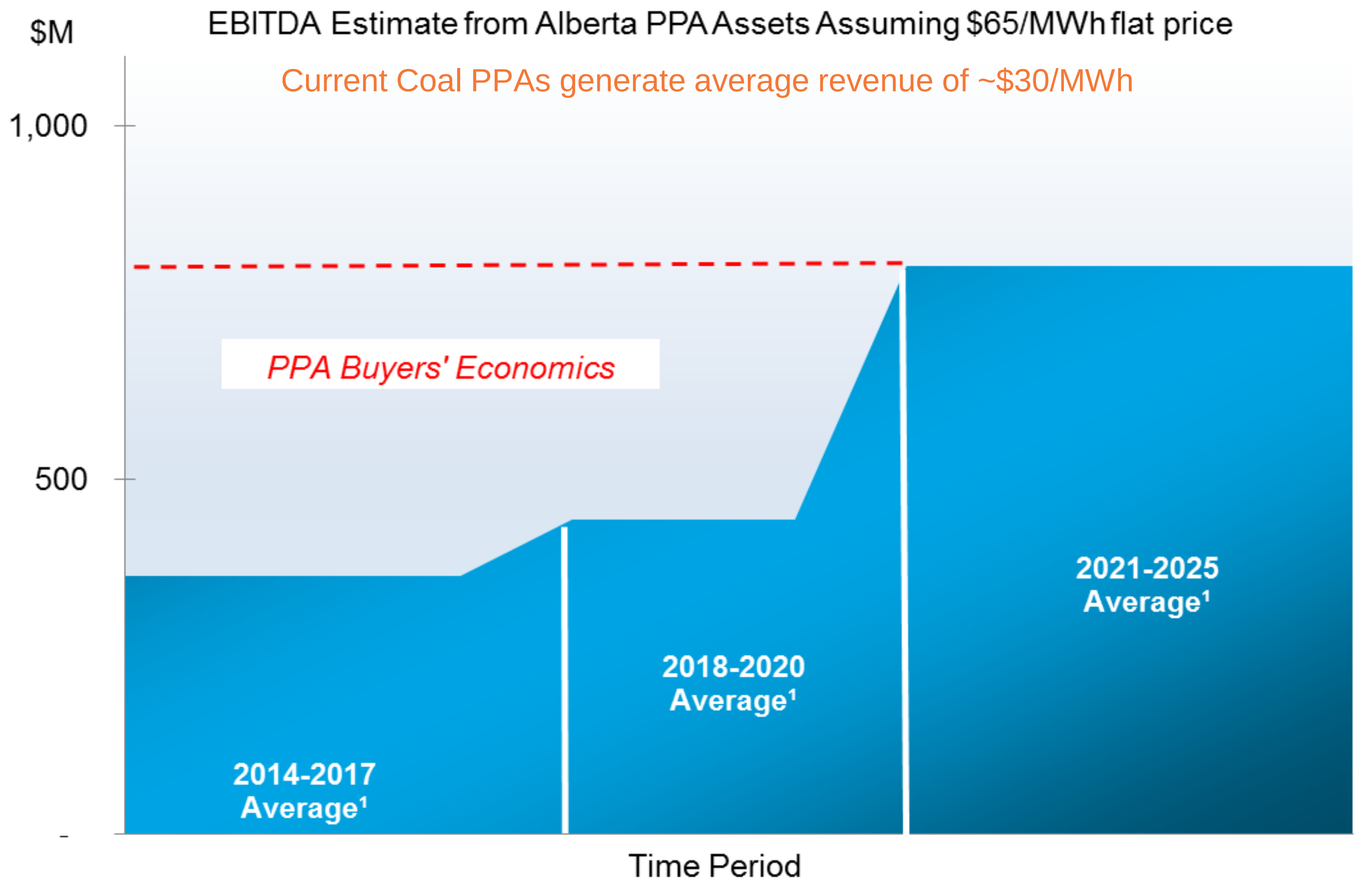
- Established Joint Venture to construct natural gas pipeline in Western Australia (Q1/14)
- Acquisition of 144 MW Wyoming Wind Farm with 15-year PPA (Q4/13)
- Creation of TransAlta Renewables Inc. to fund growth (Q3/13)
- Commercial operation of 68 MW New Richmond Wind Farm with 20-year PPA (Q1/13)
- Full year contribution from 125 MW Solomon gas plant with 21-year PPA in Australia

Steady performance from Energy Trading

- Gross margins in line with historical averages

Significant Upside Potential Post Alberta PPAs

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



¹Illustrative representation of estimated average EBITDA over period. Actual EBITDA could vary from those shown due to a number of factors

Well Positioned to Continue to Grow

TransAlta

Gas	Recent additions: - 125 MW long-term contracted Solomon Acquisition Actively pursuing greenfield and acquisitions: - Cogeneration in Alberta and B.C. - Combined & simple cycle in Alberta and Australia
Renewables	Recent additions: - 144 MW long-term contracted Wyoming Wind farm - 68 MW long-term contracted New Richmond Wind farm Actively pursuing: - Acquisitions in North America and Australia
Other	Recent additions: - JV to construct natural gas pipeline in Western Australia Actively pursuing: - Transmission opportunities in Alberta and Australia - Investments in solar technologies