Investor Presentation

September 2015

TransAlta renewables inc.

Forward Looking Statements

Actual results could differ materially from those anticipated in these forward-looking statements and the reader should review the risk factors of the Company as disclosed in the Company's Annual Information Form and as described in the Company's Management's Discussion and Analysis which are all filed on SEDAR at www.sedar.com. These forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from results expressed in the presentation, including but not limited to: risks pertaining to the completion of the acquisition of the Lakeswind wind facility and the associated benefits therefrom, the potential sale of contracted assets or economic interests from TransAlta Corporation, legislative and regulatory parameters, project approval and support, weather, economic and competitive conditions, changes in tax law and tax rate increases, exchange rates, interest rates, and other risk factors contained in the Company's annual information form.

The Company evaluates its performance and the performance of our business segments using a variety of measures. Certain of the financial measures discussed in this presentation are not defined under International Financial Reporting Standards (IFRS) and, therefore, should not be considered in isolation or as an alternative to or to be more meaningful than net earnings attributable to common shareholders or cash flow from operating activities, as determined in accordance with IFRS, when assessing the financial performance or liquidity of the Company. These measures may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

"Comparable funds from operations" (FFO) is calculated as cash flow from operating activities before changes in working capital and is adjusted for transactions and amounts that the Company believes are not representative of ongoing cash flows from operations.

"Comparable EBITDA" is calculated as earnings before interest, taxes, depreciation, and amortization and is adjusted for transactions and amounts that the Company believes are not representative of ongoing business operations. "Adjusted EBITDA" is calculated as earnings before interest, taxes, depreciation, and amortization and is adjusted, in whole or in part, for comparable adjustments and for assumptions or estimates regarding future events rather than solely on historical financial information and is, therefore, subject to risks and uncertainties that actual results will vary from expected results.

"Cash Available for Distribution" (CAFD) represents the amount of cash generated from operations, before changes in working capital and after deducting sustaining capital expenditures, scheduled principal repayments of debt and distributions to non-controlling interests.

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

Leading Power Energy Infrastructure Company

- Highly diversified asset base
- Long-term contracts with high quality counterparties
- Significant growth track record and outlook
- Attractive shareholder returns and dividend
- Strong balance sheet and prudent payout ratio
- Strong sponsorship

TransAlta Renewables (TSX:RNW)

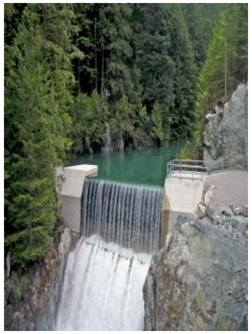
Created in August 2013 to provide stable, consistent returns for investors through the ownership of highly contracted power generation and other infrastructure assets

Ticker Symbol	TSX: RNW
Enterprise Value[1]	$3.0 Billion
Market Cap.	$2.4 Billion
2015E EBITDA[2]	$246 Million
Dividend Yield	7.6%
Expected 3 Year Dividend Growth Rate	6 - 7% per year
Generating Capacity[3]	1,830 MW
Average Contract Life[3]	~17 years
TransAlta Corporation's Ownership	76%

[1] Does not include capital required to complete South Hedland Project
[2] Average estimate of research analysts covering TransAlta Renewables
[3] Includes South Hedland project

Our Platform

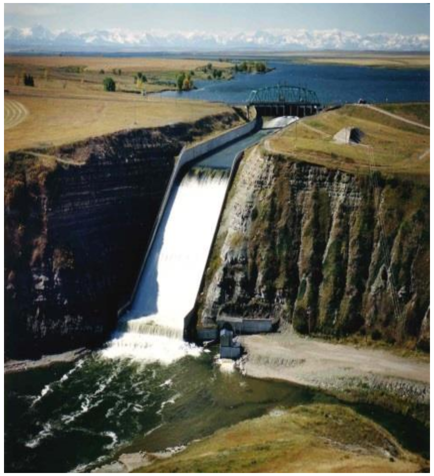
- Highly diversified portfolio including over 1,830 MW of generating capacity


Wind	Hydro	Gas Fired	Gas Pipeline	Transmission
1,151 MW	105 MW	575 MW	270 KM	500 KM
17 facilities	12 facilities	7 facilities	43% interest	

Strong Performance Since IPO

- Delivered solid financial and operational performance
- Acquired 144 MW Wyoming wind farm
- Completed $1.78 billion Australian investment
- Increased public float by ~200%
- Increased dividend 12% and targeting an additional 6 – 7% increase in 2017



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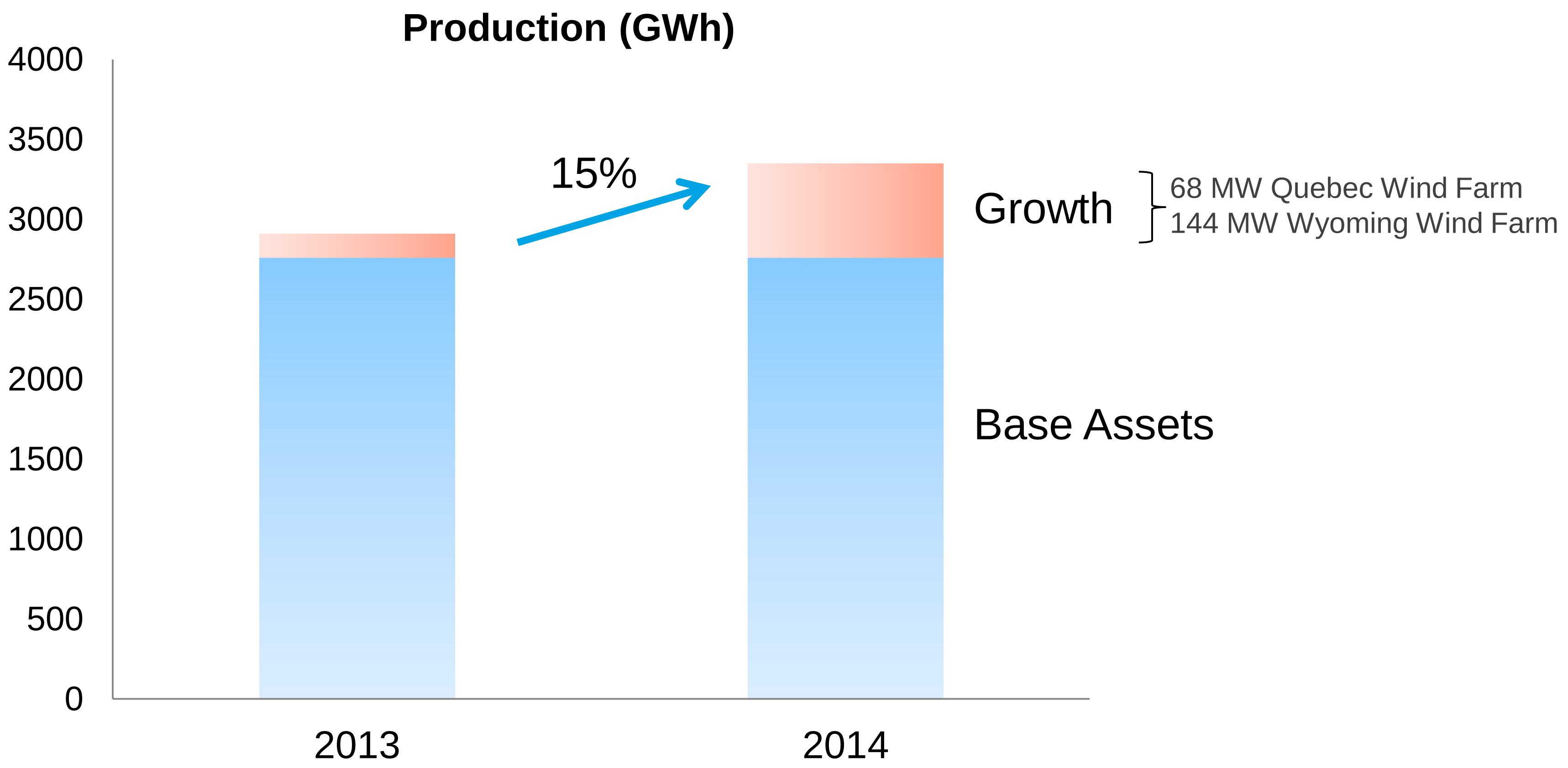
Proven Track Record for Growth

15% Year-over-Year Production Increase Driven by Growth Projects



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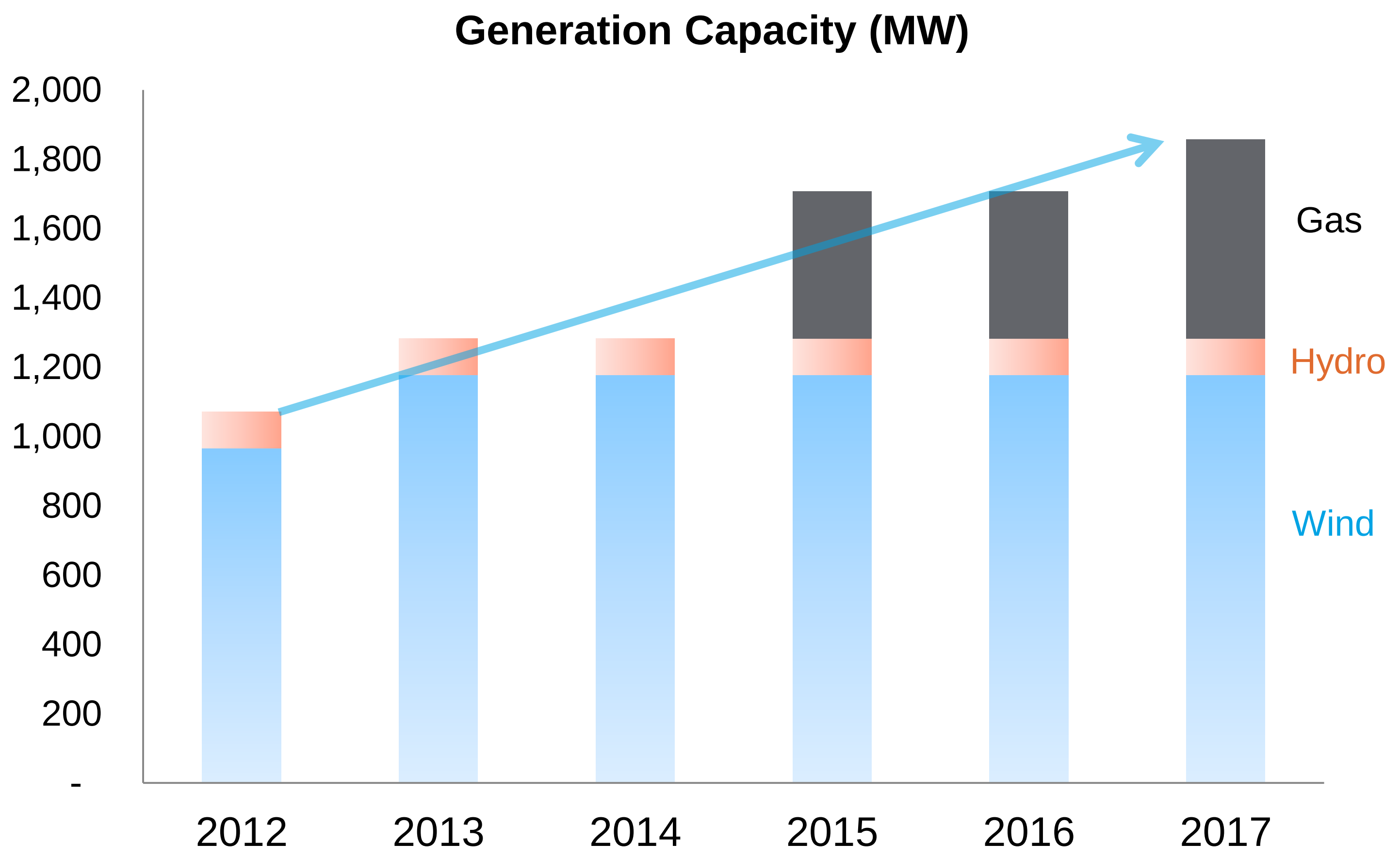
Proven Track Record for Growth

~75% Increase in Power Generation Capacity



Recent Australian Transaction

- $1.78 billion investment in high quality portfolio underpinned by long-term contracts and proven technology



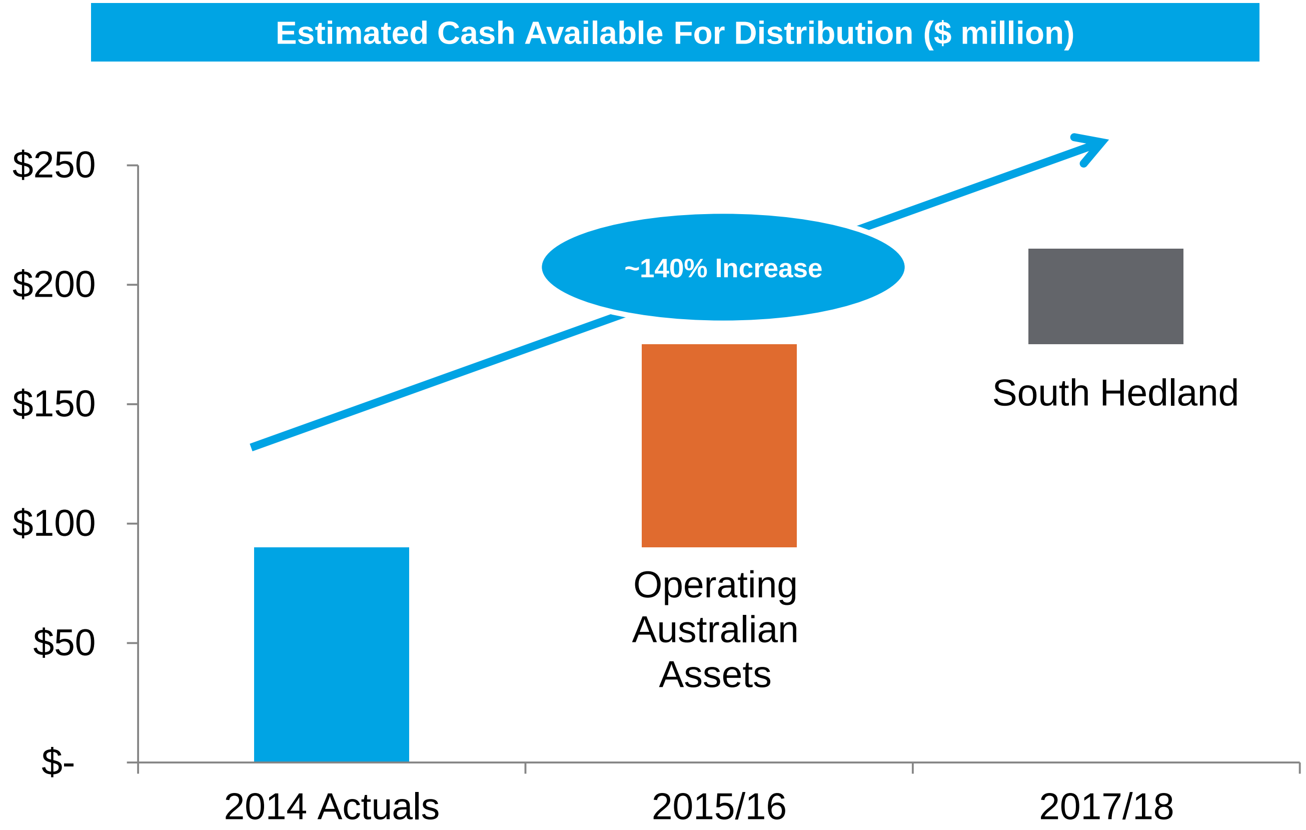


- **Southern Cross**
  - 245 MW generation & 500 km transmission
  - PPA to 2023 with BHP
- **Parkeston** (50% interest)
  - 55 MW generation
  - PPA to 2016 with Newmont
- **Solomon**
  - 125 MW generation
  - PPA to 2033[1] with FMG
- **Fortescue River Gas Pipeline** (43% interest)
  - 270 km gas pipeline
  - PPA to 2035 with FMG
  - COD Q1 2015
- **South Hedland**
  - 150 MW generation
  - Two PPAs expiring in 2042 with Horizon Power & FMG
  - COD expected first half of 2017

[1] Includes five year extension

Australian Transaction Driving Significant Increase in CAFD

- Transaction is expected to increase CAFD by approximately $127 million, an ~140% increase from 2014



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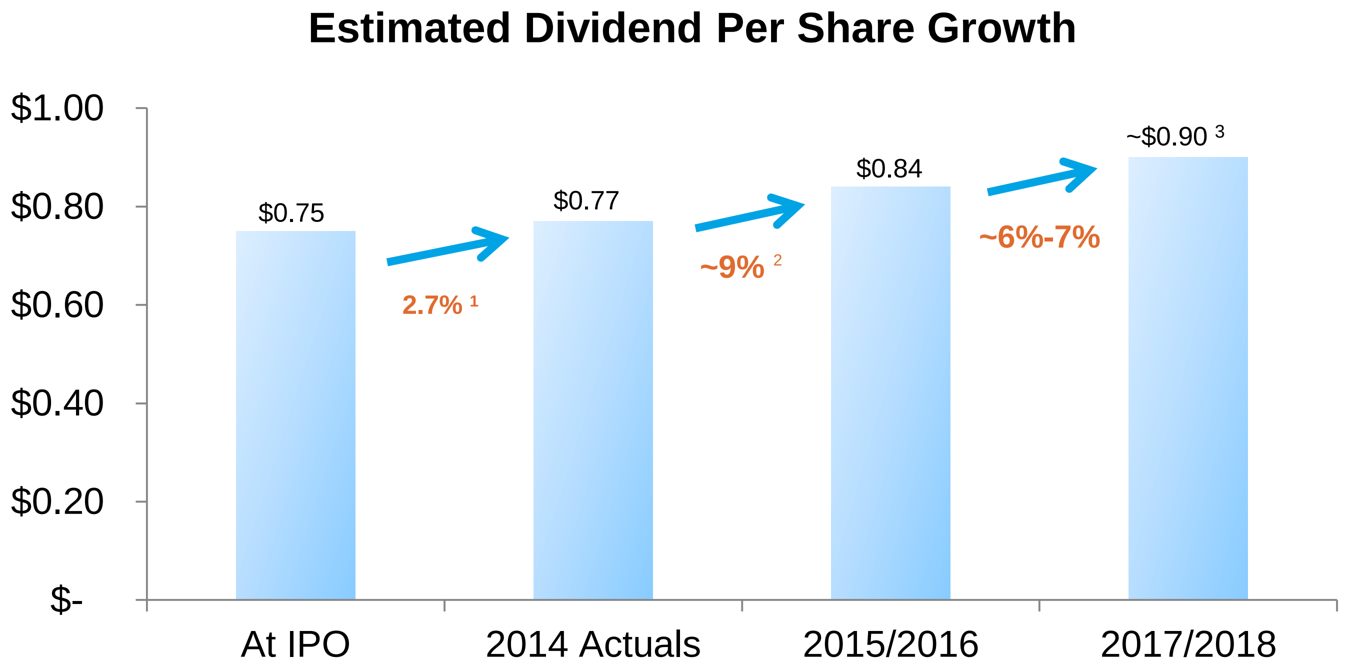
Immediate and Future Dividend Growth

Australian Transaction Driving Significant Dividend Growth

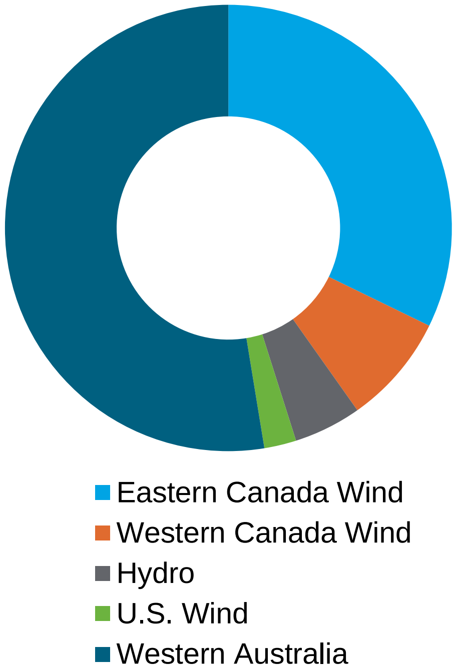


[1] 2.7% dividend increase associated with the 144 MW Wyoming Wind transaction.
[2] 9% dividend increase associated with the recent Australian transaction.
[3] Dividend for the period 2017/18 is based on our expectations once South Hedland is operational.

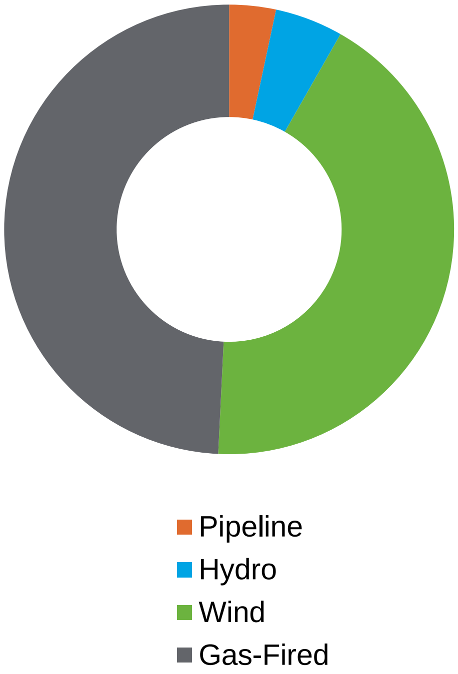
Diversified Asset Platform and Customer Base

Significant Diversification by Geography and Fuel Type

Geographic Diversification[1]



Fuel Type Diversification[1]



Highly diversified cash flows from 37 operating sites spanning seven regions

[1] Based on EBITDA contribution including the estimated contribution for a full year of operations from the Fortescue River Gas Pipeline and the South Hedland Power Station

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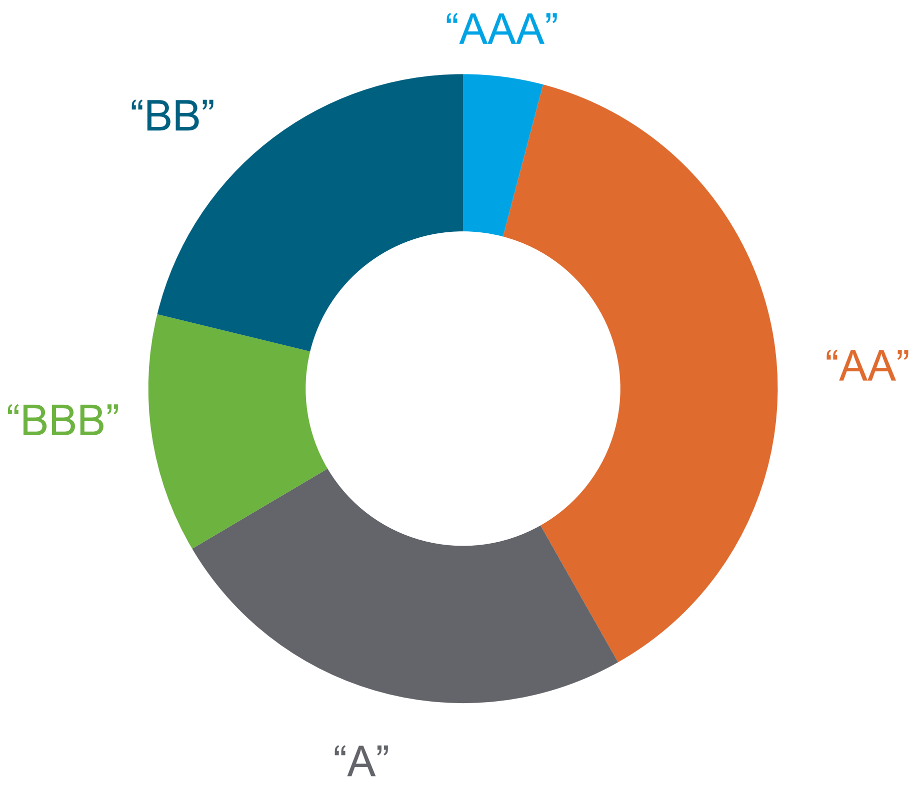
Long-term Contracted with High Quality Counterparties

High Quality Counterparties[1]

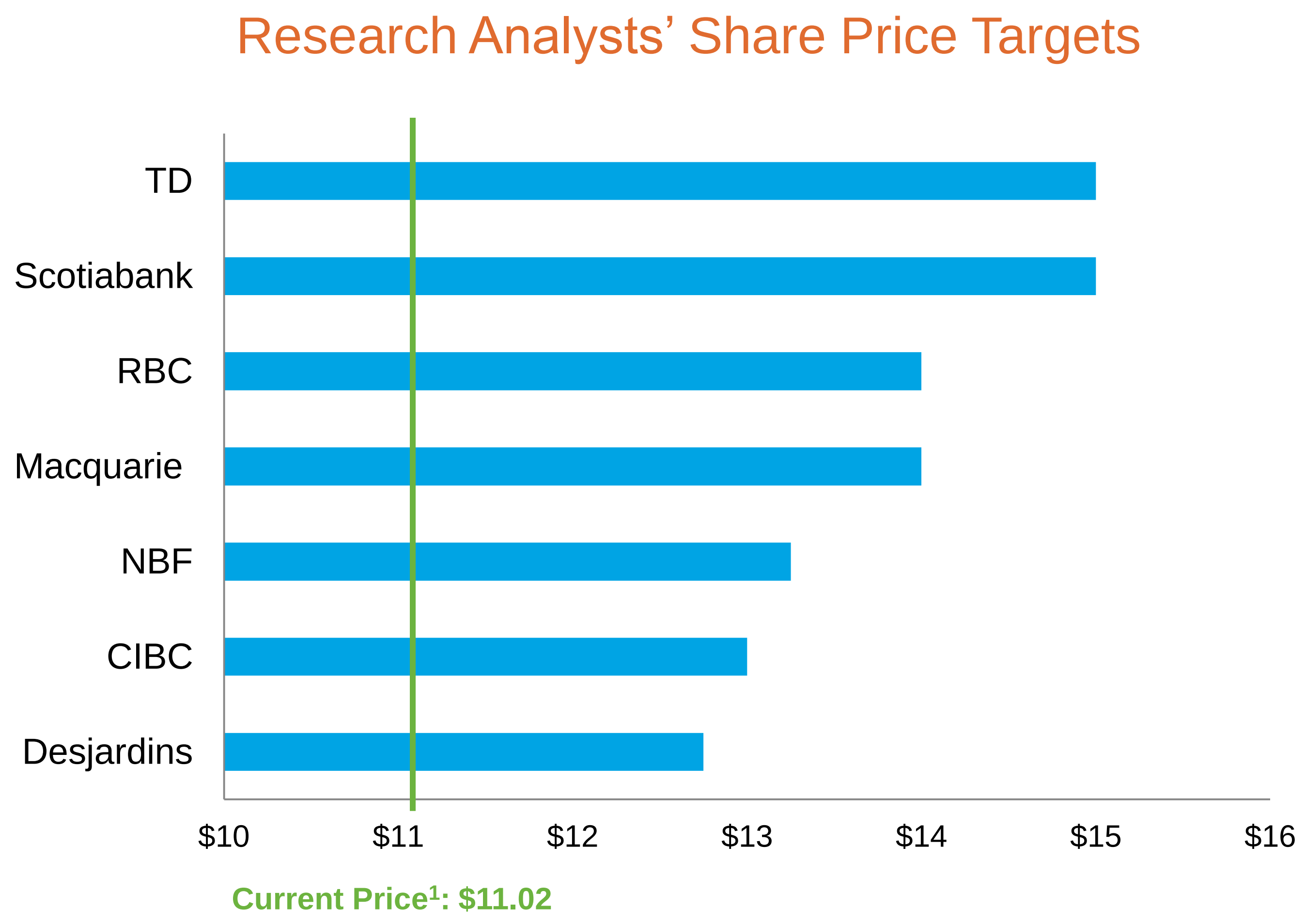


[1] Credit rating distribution is based on estimated EBITDA and includes South Hedland project

Prudent Risk Management

- Average contract life of ~17 years
- Cash flow diversification through number of assets, regions and counterparties
- Prudent payout ratio target of 80 – 85%
- Strong balance sheet at ~3.6x Debt/EBITDA
- Foreign exchange risk hedged
- Credit risk management through guarantees, LCs and wholesale credit insurance programs
- TransAlta Corporation retains timing and cost risks of South Hedland greenfield project
- Future financing plans to align with long-term nature of assets

Current Research Analysts' Target Prices



[1] Based on the closing price as of August 31, 2015.

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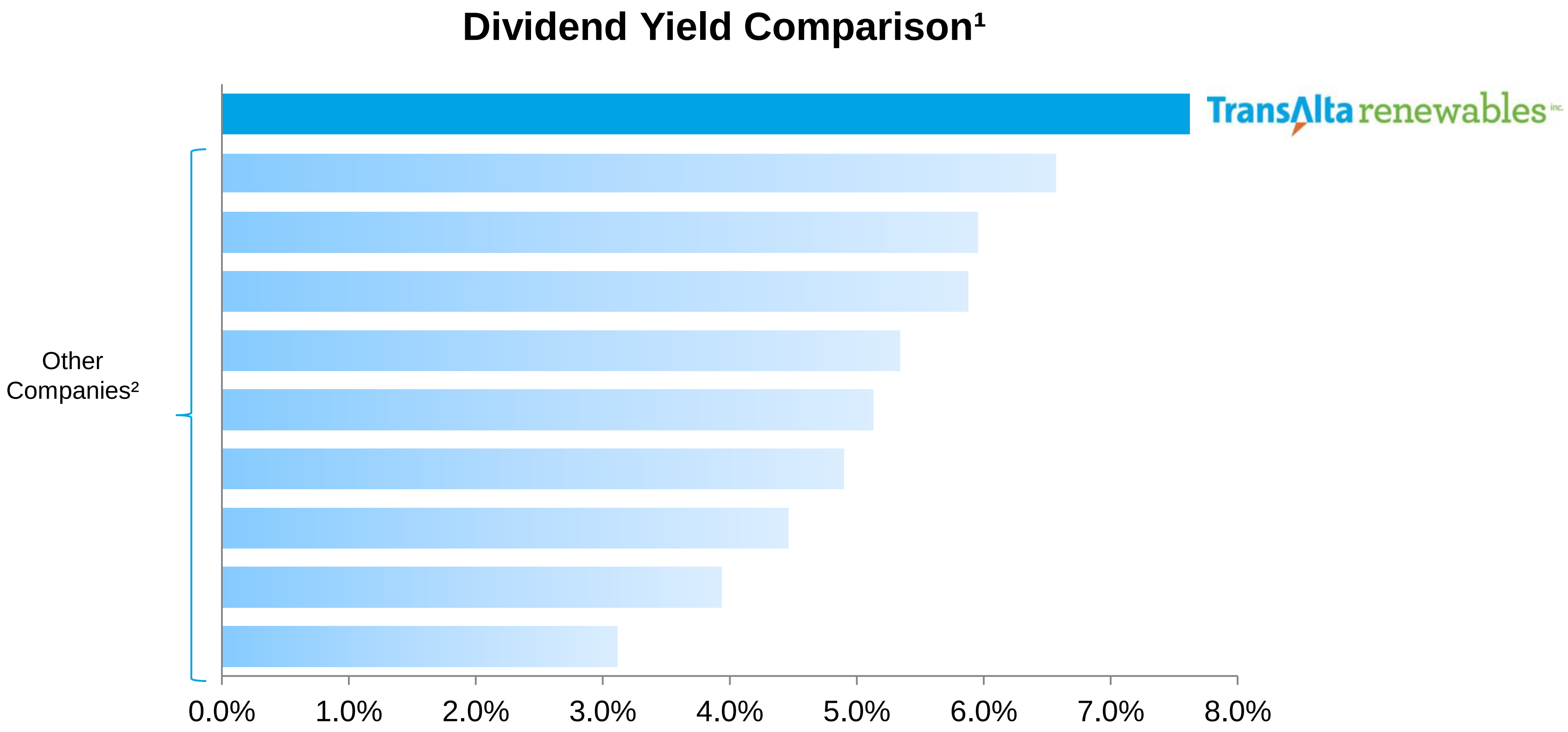
TransAlta Renewables Trading at an Attractive Dividend Yield



[1] Based on the closing price as of August 31, 2015.
[1] Based on TransAlta Renewables announced dividend increase to $0.84 per share related to the Australian transaction. For all other companies, current dividends have been used.
[2] Other companies include Algonquin Power, Brookfield Renewables, Enbridge Income Fund, Innergex, Nextera Energy Partners, Northland Power, NRG Yield, Pattern Energy, and Terraform.

Strong Potential for Future Growth

- ROFO opportunities with Australian Transaction
- Additional drop-downs from TransAlta Corporation
- Third-party acquisitions

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Significant Drop-Down Inventory

Potential Drop-Down Candidates from TransAlta Corporation

Gas Fired Generation

- ~1,000 MW in Alberta & Ontario

Alberta Hydro

- ~800 MW from 13 units in Alberta

Other Renewables

- 99 MW wind facility in QC
- 20 MW wind facility in ON
- 45 MW wind facility in AB
- 50 MW wind facility in Minnesota[1]
- 7 MW hydro facility in ON
- 21 MW solar facilities in Massachusetts

[1] *The acquisition is subject to the satisfaction of certain conditions and customary regulatory approvals and expected to close in Q3 2015*

Growth Criteria

- Assets with proven operating history
- Long-term contracts with strong counterparties
- Familiar technologies/suppliers
- Returns that create shareholder value

Consistent Risk Profile with Existing Portfolio

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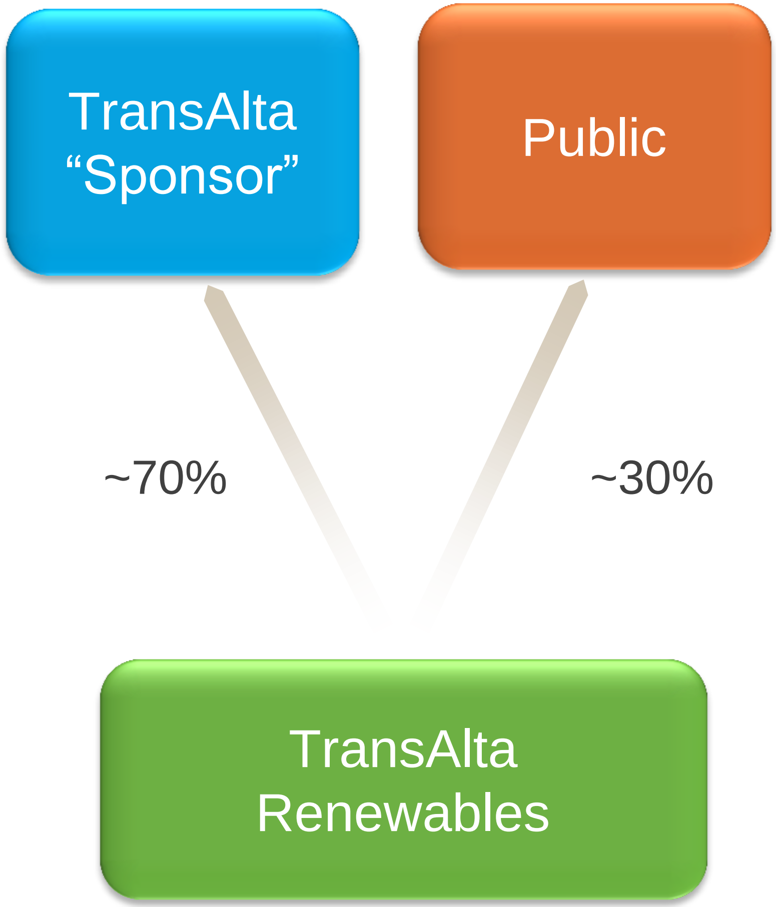
Experienced and Fully Aligned Sponsor



- TransAlta, as sponsor and majority shareholder, is committed to the success of TransAlta Renewables
- Highly experienced operator and developer
- Owns ~8,800 MW of net generation capacity from over 70 facilities

TransAlta Corporation and TransAlta Renewables' interests are aligned

Investment Highlights

- Scale and diversification
- High quality assets and proven technology
- Long-term contracted portfolio
- Attractive yield and strong balance sheet
- Long term alignment with TransAlta as a sponsor and majority shareholder
- Well positioned to grow