

POLARIS INFRASTRUCTURE ANNOUNCES 2015 SECOND QUARTER RESULTS

August 13, 2015 – Polaris Infrastructure Inc. (TSX: PIF) ("Polaris Infrastructure" or the "Company"), a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America, is pleased to announce its operating results for the quarter ended June 30, 2015. This earnings release should be read in conjunction with Polaris Infrastructure's financial statements, and management's discussion and analysis ("MD&A"), which are available on the Company's website at www.polarisgeothermal.com and have been posted on SEDAR at www.sedar.com. The \$ figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

San Jacinto-Tizate Project Highlights

- The San Jacinto-Tizate Power Plant (the "SJT Plant") generated 110,485 (net) MWh resulting in revenue of \$12.8 million for the three months ended June 30, 2015 compared to revenue of \$11.7 million for the three months ended June 30, 2014, an increase of 9%. The SJT Plant generated 216,531 (net) MWh resulting in revenue of \$25.2 million for the six months ended June 30, 2015 compared to revenue of \$22.4 million for the six months ended June 30, 2014, an increase of 12%. The revenue increase was primarily due to certain wells being offline in the first and second quarters of 2014 as the Company completed the drilling remediation program as well as the impact of the 3% annual tariff increase during 2015.
- The Company generated Adjusted EBITDA (a non-GAAP measure) in the second quarter 2015 of \$10.1 million, a 22% increase from \$8.2 million generated in the second quarter 2014. Adjusted EBITDA for the six months ended June 30, 2015 of \$19.6 million increased 23% from the same period in 2014, driven by increased revenues and closely contained operating costs and general and administrative expenses. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.*
- The SJT Plant completed the on-time and on-budget planned major maintenance of the Unit 4 turbine, in addition to master valve replacements on wells SJ4-1, SJ9-3 and SJ 12-2.

Corporate Highlights

- In May 2015, the Company completed an equity financing and recapitalization transaction for gross proceeds of approximately Cdn\$74 million. As part of the transaction, the Company's name was changed from "Ram Power, Corp." to "Polaris Infrastructure Inc.", the Company's outstanding debentures were converted into shares of the Company, the Company's outstanding common shares were consolidated at a ratio of 2,000:1, the Board of Directors of the Company was reconstituted and Marc Murnaghan was appointed as Chief Executive Officer of the Company. *See the Liquidity and Capital Resources section in the Second Quarter 2015 MD&A for additional details of the transaction.*
- The Company, through its wholly-owned subsidiary, Polaris Energy Nicaragua, S.A. ("PENSA"), amended the San Jacinto project credit facilities effective May 13, 2015, coincident with closing of the recapitalization transaction noted above. The amendments are expected to result in the Company being in a position to begin receiving distributions from PENSA in 2016. The Company also expects the effect of these changes will result in total debt service in 2016, inclusive of both principal and interest payments, as well as return enhancement on the subordinated debt, being reduced to approximately \$22 million. *See the Liquidity and Capital Resources section in the Second Quarter 2015 MD&A for additional details of the project credit facilities amendment.*
- In July 2015, the Company selected a drilling vendor for its 2015 / 2016 drilling program, entered into a contract to mobilize the drilling rig, and anticipates signing a full service contract by August 31, 2015, in preparation for drilling activities to commence in the fourth quarter 2015. The Company is currently planning to drill three new production wells.
- The Company, through its 95%-owned subsidiary, Cerro Colorado Power, S.A., is actively reviewing the status of the Casita project and related development activities, including financing alternatives to result in attractive project economics and risk sharing.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three and six months ended June 30, 2015 and 2014 are summarized below:

<i>(all \$ figures in thousands except loss per share)</i>	Three months ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Average production	50.6 MW (net)	47.7 MW (net)	49.7 MW (net)	45.8 MW (net)
Total revenue	\$ 12,817	\$ 11,720	\$ 25,152	\$ 22,444
Adjusted EBITDA ⁽¹⁾	10,072	8,223	19,580	15,881
Finance costs ⁽²⁾	(4,678)	(5,341)	(9,695)	(10,632)
Other (losses) gains	(4,968)	(3,030)	(1,810)	1,764
Total loss and comprehensive loss	(6,263)	(11,047)	(8,665)	(12,358)
Total loss and comprehensive loss per share	(\$0.76)	(\$59.17)	(\$2.04)	(\$66.25)

	As at June 30, 2015	As at December 31, 2014
Total assets	\$ 467,345	\$ 422,501
Long-term debt	175,644	44,637
Total liabilities	230,968	283,891
Cash	71,725	15,292
Working capital	60,240	(179,406)

(1) Refer to Use of Non-GAAP Measures section for further details with respect to calculation of Adjusted EBITDA.

(2) Includes debt service costs only (interest and return enhancement) and excludes accretion, derivative valuation gains and losses and other finance costs. Refer to Note 7 of the June 30, 2015 Financial Statements for further detail.

For the three months ended June 30, 2015, the Company reported revenue of \$12.8 million and Adjusted EBITDA of \$10.1 million, compared to revenue of \$11.7 million and Adjusted EBITDA of \$8.2 million, for the same period in 2014. The 9% increase in revenue resulted from wells being offline for the San Jacinto drilling remediation program in the second quarter 2014 and the impact of the 3% annual tariff increase during 2015. Adjusted EBITDA growth was driven primarily by contribution from the SJT Plant (\$1.1 million) as well as a net decrease in general and administrative expenses (\$0.6 million). See *Use of Non-GAAP Measures* section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.

For the six months ended June 30, 2015, the Company reported revenue of \$25.2 million and Adjusted EBITDA of \$19.6 million, compared to revenue of \$22.4 million and Adjusted EBITDA of \$15.9 million, for the same period in 2014. The 12% increase in revenue was primarily due to certain wells being offline in the first and second quarters of 2014 as the Company completed the drilling remediation program as well as the 3% annual tariff increase. Adjusted EBITDA growth of \$3.7 million was primarily the result of revenue growth at the SJT Plant, combined with lower general and administrative expenses. See *Use of Non-GAAP Measures* section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.

For the six months ended June 30, 2015, the Company had net operating cash inflows of \$12.1 million, net investing cash outflows of \$3.8 million and net financing cash inflows of \$48.1 million, which combined for a net increase in cash of \$56.4 million. The Company expended \$2.7 million for additions to geothermal properties, principally related to final payments on the San Jacinto drilling remediation program, costs related to the turbine overhaul in February 2015 and costs of the 2015/2015 drilling remediation program. At June 30, 2015, the Company had cash of \$71.7 million, of which \$37 million was held for current use in the San Jacinto project.

PENSA was a respondent in a legal claim pending in arbitration arising out of a contract dispute with one of its previous drilling vendors. The arbitrator issued the final award on July 20, 2015, awarding the drilling vendor, inclusive of incurred legal expenses, a total of \$1.9 million. Total costs expensed during the three and six months ended June 30, 2015 related to the contract dispute were \$2.0 million and \$2.7 million respectively. These amounts have been accounted for as Other Losses on the basis that they are non-operational in nature.

“We are happy with the operating results of the quarter, as they are reflective of the Company’s ability to generate cash flow,” said Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. “With a much stronger balance sheet, we can now look forward to the drilling campaign with a view to increasing the production capability of the San Jacinto reservoir.”

Polaris Infrastructure will hold its earnings call to discuss the quarter ended June 30, 2015 financial and operating results on Friday, August 14, 2015 at 10:00 am EDT. To listen to the call, please dial 1-866-696-5910 and enter participant pass code 3186155, or on the web at <http://bell.media-server.com/m/p/zshhd2qb>

About Polaris Infrastructure Inc.

Polaris Infrastructure is a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America. Currently, the Company operates a 72MW geothermal project located in Nicaragua.

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USE OF NON-GAAP MEASURES

Certain measures in this document do not have any standardized meaning as prescribed by International Financial Reporting Standards (“IFRS”) and, therefore, are not considered generally accepted accounting principles (“GAAP”) measures. Where non-GAAP measures or terms are used, definitions are provided. In this document and in the Company’s consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

EBITDA is a non-GAAP metric used by many investors to compare companies on the basis of ability to generate cash from operations. The Company uses Adjusted EBITDA to assess its operating performance without the effects of (as applicable): current and deferred tax expense, finance costs, interest income, other gains and losses, impairment loss, depreciation and amortization of plant assets, share-based compensation and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature and are not factors used by management for evaluating the performance of the Company. The Company believes the presentation of this measure will enhance an investor’s understanding of its operating performance. Adjusted EBITDA is not intended to be representative of cash provided by operating activities or results of operations determined in accordance with GAAP. The table below reconciles between Adjusted EBITDA and Net loss and comprehensive loss, calculated in accordance with IFRS.

Reconciliation of Adjusted EBITDA to total loss and comprehensive loss

	Three Months Ended		Six Months Ended	
(in thousands)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net loss and comprehensive loss attributable to owners of the Company	\$ (6,263)	\$ (10,978)	\$ (8,665)	\$ (12,288)
Add (deduct):				
Net loss attributable to non-controlling interest	-	(69)	-	(69)
Current and deferred tax expense	(711)	1,865	1,130	3,752
Finance costs	(5,497)	7,763	1,110	13,348
Interest income	(21)	(18)	(28)	(162)
Other losses (gains)	4,968	3,030	1,810	(1,764)
Impairment loss	10,096	-	10,096	-
Depreciation and amortization of plant assets	6,681	6,516	13,306	12,929
Share-based compensation	820	115	820	136
Adjusted EBITDA	\$ 10,072	\$ 8,223	\$ 19,580	\$ 15,881

Cautionary Statements

This news release contains certain “forward-looking information” which may include, but is not limited to, statements with respect to future events or future performance, management’s expectations regarding the Company’s growth, results of operations, estimated future revenue, requirements for additional capital, revenue and production costs, future demand for and prices of electricity, business prospects and opportunities. In addition, statements relating to estimates of recoverable geothermal energy “reserves” or “resources” or energy generation are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the geothermal resources and reserves described can be profitably produced in the future. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current geothermal energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the geothermal industry; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities, or in the commencement of operations; the ability of the Company to continue as a going concern and general economic conditions, as well as those factors discussed in the section entitled “Risk Factors” in the Company’s Annual Information Form. These factors should be considered carefully and readers of this news release should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The information in this news release, including such forward-looking information, is made as of the date of this news release and, other than as required by applicable securities laws, Polaris Infrastructure assumes no obligation to update or revise such information to reflect new events or circumstances.