POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2016 YEAR END RESULTS

TORONTO, ON (March 7, 2017) – 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 report its audited financial and operating results for the year ended December 31, 2016. This earnings release should be read in conjunction with Polaris Infrastructure's Consolidated Financial Statements and Management's Discussion and Analysis, which are available on the Company's website at www.polarisinfrastructure.com and have been posted on SEDAR at www.sedar.com. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

San Jacinto-Tizate Project Highlights

- **Record power generation and revenue:** The San Jacinto-Tizate Power Plant (the "San Jacinto project") generated 459,990 MWh (net) (an average of 52.4 MW (net)), resulting in revenue of $54.7 million for the year ended December 31, 2016, versus revenue of $50.1 million on generation of 433,988 MWh (net) (an average of 49.5 MW (net)) in the prior year. The 9% revenue increase was due to higher average production in 2016 as well as the impact of the 3% annual tariff increase.

- **Significant increase in Adjusted EBITDA:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $45.5 million in 2016, a 16% increase from 2015, driven by increased San Jacinto project revenues combined with a reduction in costs at all levels (direct costs at the San Jacinto plant, general and administrative expenses as well as other operating costs associated with legacy North America projects). Adjusted EBITDA margins improved from 78% for 2015, to 83% for 2016. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

- **Successful conclusion of 2015/2016 Drilling Program:** 2016 saw critical investment into the San Jacinto project, stemming from the recapitalization transaction that occurred in 2015. The result of this drilling and infrastructure program is the addition of two new production wells (SJ 6-3 and SJ 9-4), which have brought about a step-change in average productive capacity at the San Jacinto project, from approximately 48-50 MW (net) before the drilling program, to approximately 60 MW (net) after it. The 2015/2016 Drilling Program also included a new injection well (SJ 14-1), mechanical workover of four pre-existing injection wells and several important investments in above-ground infrastructure.

- **Successful conclusion of annual turbine maintenance:** Comprehensive preventative maintenance was completed on the Unit 4 turbine at the San Jacinto project over the course of three weeks in February 2017. This exercise was completed on schedule and under budget, and leaves us well positioned for consistent turbine performance throughout 2017 and 2018, given that the Unit 3 turbine was recently serviced as well, in July 2016. Along with performance of various maintenance activities throughout the steamfield during the turbine maintenance period, we completed installation of a new separator station with increased capacity and efficiency, which is expected to further contribute towards optimizing above-ground operations.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three months and year ended December 31, 2016 and 2015 are summarized below:

	Three months ended		Year ended	
(all $ figures in thousands except income (loss) per share)	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Average production	60 MW (net)	47.7 MW (net)	52.4 MW (net)	49.5 MW (net)
Total revenue	$ 15,694	$ 12,101	$ 54,659	$ 50,149
Adjusted EBITDA (1)	13,294	9,426	45,473	39,149
Finance costs	(4,340)	(2,515)	(19,027)	(11,252)
Impairment loss	-	-	-	(40,440)
Total income (loss) attributable to Owners of the Company	1,756	(1,447)	(4,261)	(37,494)
Total income (loss) per share (basic and diluted) attributable to Owners of the Company	$0.11	($0.09)	($0.27)	($3.78)
			As at December 31, 2016	As at December 31, 2015
Total assets			$ 409,248	$ 415,863
Long-term debt			166,238	171,120
Total liabilities			214,590	212,974
Cash			45,739	61,592
Working capital			43,921	52,900

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

For the three months ended December 31, 2016, the Company reported revenue of $15.7 million and Adjusted EBITDA of $13.3 million, compared to revenue of $12.1 million and Adjusted EBITDA of $9.4 million, for the same period in 2015. The increase in revenue resulted from a 26% increase in average power generation at the San Jacinto project following connection of two new production wells in August 2016, as well as the 3% annual tariff increase during 2016. Improvement in Adjusted EBITDA was driven by the increase in contribution from the San Jacinto project, as well as a decrease in general and administrative expenses. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

For the year ended December 31, 2016, the Company reported revenue of $54.7 million and Adjusted EBITDA of $45.5 million, compared to revenue of $50.1 million and Adjusted EBITDA of $39.1 million, for the same period in 2015. The 9% increase in revenue was primarily owed to the increase in average generation, as well as the 3% annual tariff increase. Adjusted EBITDA growth of $6.4 million was primarily the result of revenue growth at the San Jacinto project, combined with lower general and administrative expenses. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

For the year ended December 31, 2016, the Company had net operating cash inflows of $25.4 million, net investing cash outflows of $27.9 million and net financing cash outflows of $13.4 million. The Company incurred costs of $25.6 million with respect to investment in the San Jacinto project drilling and infrastructure program. At December 31, 2016, the Company had cash of $45.7 million, of which $21.9 million was held for current use in the San Jacinto project.

“We are pleased that after dealing with many important, but non-operational items in 2015, namely the recapitalization of the Company, 2016 was a year focused on our primary objective: growth and improving operations at the San Jacinto project,” noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. “Our achievements in 2016 were substantial, including executing a major drilling program, connecting new production wells, continuing to trim general and administrative costs and initiating a dividend. Polaris Infrastructure is well positioned for further growth and investment, and we are confident we have the team in place to continue executing on this plan.”

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the year ended December 31, 2016 on Wednesday, March 8, 2017 at 10:00 am EST.
To listen to the call, please dial +1 (647) 427-2311 or +1 (866) 521-4909.

A digital recording of the earnings call will be available for replay two hours after the call's completion, until March 12, 2017. Please dial +1 (416) 621-4642 or +1 (800) 585-8367; Conference ID: 55413031.

About Polaris Infrastructure

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 income (loss) and comprehensive Income (loss), calculated in accordance with IFRS.

	Three months ended		Year ended	
(in thousands)	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Total income (loss) attributable to Owners of the Company	$ 1,756	$ (1,447)	$ (4,261)	$ (37,494)
Add (deduct):				
Earnings (Loss) attributable to non-controlling interest	5	(15)	(43)	(294)
Current and deferred tax (expense) recovery	1,888	1,872	7,584	(4,172)
Finance costs	4,340	2,515	19,027	11,252
Interest income	(68)	(23)	(286)	(76)
Other losses (gains)	(163)	33	306	1,983
Impairment loss	-	-	-	40,440
Depreciation and amortization of plant assets	5,373	6,164	22,180	26,029
Share-based compensation	163	327	966	1,481
Adjusted EBITDA	$ 13,294	$ 9,426	$ 45,473	$ 39,149

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.