
Alterra Power Announces Results for the Year Ended December 31, 2014

(under IFRS and all amounts in US dollars unless otherwise stated)

Vancouver, B.C., Canada, March 24, 2015 – Alterra Power Corp. (TSX: AXY) ("Alterra" or the "Company") is pleased to report its audited financial and operating results for year ended December 31, 2014. For further information on these results please see Alterra's Consolidated Financial Statements and Management's Discussion and Analysis.

At December 31, 2014, Alterra consolidated 100% of the results of operations at HS Orka and Soda Lake, while Alterra's interests in the Toba Montrose run of river hydro facility and the Dokie 1 wind facility were accounted for as equity investments. In certain statements in this news release, Alterra's results are disclosed as Alterra's "net interest", which means the effective portion of results that Alterra would have reported if each of HS Orka (66.6%), Toba Montrose (40%), Dokie 1 (25.5%), and Soda Lake (100%) had been reported in accordance with Alterra's actual share of ownership at December 31, 2014 and for the year then ended. While management monitors the consolidated results closely, it believes that net interest reporting provides the clearest view of Alterra's performance.

Highlights for the year include:

- **Record high EBITDA and revenue:** Consolidated and net interest EBITDA increased to their highest levels, \$51.0 million and \$40.9 million respectively, reflecting increases of 18% and 42% against the prior year. This was driven by consolidated and net interest revenue increases of 11% and 5%, primarily due to increased retail energy sales at HS Orka as well as record performance at our Toba Montrose facility coupled with a strengthening of the Icelandic Krona.
- **Highest ever fleet generation:** Alterra's power projects generated 2,413,652 MWh of clean power (101% of plan) led by the Toba Montrose facility, which achieved 110% of plan and generated at 211% of year to date plan in 2015 through February.
- **Improved cash flow:** Cash flow from operations was \$26.8 million for the year ended December 31, 2014, an increase of 62% from the comparative year due to higher distributions received from Toba Montrose and Blue Lagoon in the year as well as increased EBITDA.
- **Holding company financing completed:** Alterra completed a C\$110 million loan facility to fund its growth in the Jimmie Creek, Shannon and other projects. The facility has no scheduled amortization, and matures in 2023, with approximately 90% locked in at interest rates of 8.7% - 8.8%. To date, the Company has accessed C\$89.8 million under the facility.
- **Distributions received:** The Company recognized distributions from equity investments during the year totalling \$16.0 million.
- **Head office liquidity:** The Company currently has \$38.0 million in unrestricted cash at the corporate level (excluding cash held at HS Orka), and is in a strong financial position to fund its investment in the Shannon project as well as other new project opportunities.
- **Jimmie Creek hydro project:**
 - **Partnership agreement executed:** The Company acquired 100% of the project in March, and subsequently entered into a partnership agreement with a fund managed by Fiera Axiom Infrastructure Inc. ("Fiera Axiom"). The partnership became operative at financial closing on October 14 with Alterra and Fiera Axiom now owning 51% and 49% of the project, respectively.

- **Project financing:** The Company closed a C\$176.5 million non-recourse loan facility on October 14, 2014. The facility is priced at a fixed rate of 5.26% and will amortize over 40 years commencing at commercial operations (expected in July 2016), except for the final 10% of principal which will be paid at maturity. At financial closing, Alterra received proceeds of C\$22.9 million as a return of certain development and construction expenses previously paid by Alterra. The Company does not expect to make any further equity contributions towards the construction of Jimmie Creek, which is now being funded by project financing proceeds and contributions by Fiera Axium.
- **Construction activities:** Road, bridge, and camp construction is 100% complete, and work is well underway at the intake and powerhouse locations. Penstock installation is over 50% complete. Excavation is complete at most project sites, including the powerhouse and intake. In October the temporary river diversion channel at the intake was completed. Commencement of commercial operations is targeted for July 1, 2016.
- **Shannon wind farm:**
 - **100% ownership:** On February 13, 2014, the Company acquired the remaining 90% of Shannon Wind, LLC for consideration of \$0.3 million plus a contingent developer fee. Alterra is completing a partnership agreement with a large, infrastructure investment fund, and expects to own a 50% ownership stake upon financial closing.
 - **Current activities:** The Company is currently working to finalize terms with several financing parties. A letter of intent with two tax equity partners was completed in February 2015 and all project agreements are either complete or in final stages of completion. The Company expects construction financing for the project to close in the first half of 2015 and commercial operations to commence in the second half of 2015. In December 2014, the Company completed additional on-site construction activities to further strengthen qualification for the U.S. Production Tax Credit, and an affiliate of M.A. Mortenson Company is fully mobilized on-site for construction of the remainder of the project.
- **Resolution of all Toba Montrose rockslide-related matters:** The Company satisfactorily settled all insurance claims related to the December 2012 naturally-occurring rockslide, and in July an insurance-related waiver was released from the project's credit agreement allowing resumption of regular equity distributions from the project. The Company has since received two distributions from the project totaling \$12.1 million.
- **South American joint ventures:**
 - Construction activities have been completed or are underway at the Mariposa project located in Chile in preparation for planned large-bore drilling in late 2015.
 - A further joint venture with Energy Development Corporation ("EDC") covering the remainder of Alterra's development assets in Peru was completed in 2014. EDC will hold a 70% interest in the projects and fund 100% of the next \$6.0 million of project expenses.
 - The Company has decided not to pursue any of the Peruvian concessions under a previous joint venture signed in July 2013, effectively ending activity on these properties.

- **Sale of Soda Lake facility:** In January 2015, the Company sold the 15 MW Soda Lake geothermal facility and related geothermal development assets to an affiliate of Cyrq Energy, Inc. for proceeds of \$8.5 million plus potential additional compensation over the next five years upon the achievement of certain earn-out provisions. Alterra retained the rights to develop a 40 MW solar project at the site over the next six to eight years.

Financial Results

The following table shows Alterra's net interest in selected operating and financial results for the year, in addition to key financial information extracted from the consolidated results.

For the year ended December 31, 2014 ^(a)	HS Orka (66.6%)	Toba Montrose (40%)	Dokie 1 (25.5%)	Soda Lake (100%)	Development and Head Office	Net Interest Total	Consolidated Results
Generation (MWh)	846,208	315,376	72,949	68,555	—	1,303,088	1,339,138
Total revenue	43,890	28,597	7,631	5,050	—	85,168	70,952
Gross profit	11,309	19,607	3,501	112	—	34,529	17,092
EBITDA ^(d)	20,189	21,029	5,065	948	(6,308)	40,923	51,047

For the year ended December 31, 2013 ^(a)	HS Orka (66.6%)	Toba Montrose (40%)	Pro Forma Dokie 1 (25.5%) ^(b)	Soda Lake (100%)	ABW ^(c) (10%)	Development and Head Office	Net Interest Total	Consolidated Results
Generation (MWh)	852,528	194,927	76,835	67,512	2,059	—	1,193,861	1,347,584
Total revenue	39,512	20,153	8,520	4,545	832	—	73,562	63,872
Business interruption proceeds	—	7,166	—	—	—	—	7,166	—
Gross profit (loss)	10,156	10,028	3,923	(2,228)	555	—	22,434	13,021
EBITDA ^{(d) (e)}	17,912	15,363	5,836	266	276	(10,885)	28,768	43,333

(a) All tabular amounts in the table above are expressed in thousands of US dollars with the exception of generation

(b) For comparison purposes, the operating results shown here for Dokie 1 have been adjusted to show a pro forma 25.5% interest for the comparative year (actual ownership was 51% from January 1 to December 19, 2013, and 25.5% for the remainder of 2013).

(c) The comparative year includes the results of ABW Solar, a solar generation project located in Ontario, Canada, that was acquired by the Company on August 23, 2013 and subsequently sold on November 29, 2013.

(d) Here and elsewhere, Adjusted EBITDA ("EBITDA") is defined by Alterra as earnings before interest, taxes, foreign exchange, depreciation and amortization, as well as before deductions for change in fair value of bonds payable and derivatives, foreign exchange gain (loss), write off of development costs and goodwill, and other income (expense) except business interruption proceeds, amortization of below market contracts, and value assigned to options granted, less share of income (loss) of equity accounted investees, plus the Company's interest in EBITDA of its equity accounted investees. Alterra discloses EBITDA as it is a measure used by analysts and by management to evaluate Alterra's performance. As EBITDA is a non-IFRS measure, it may not be comparable to EBITDA calculated by others. In addition, as EBITDA is not a substitute for net earnings, readers should consider net earnings in evaluating Alterra's performance. For a reconciliation of consolidated EBITDA to Alterra's consolidated financial statements refer to the Company's Management's Discussion and Analysis for the year ended December 31, 2014.

(e) HS Orka and consolidated results EBITDA adjusted from prior year presentation to include EBITDA from the Blue Lagoon.

Consolidated Results

Revenue was up 11% at \$71.0 million for the year ended December 31, 2014, due to increased revenues at HS Orka predominately due to an increase in retail energy sales coupled with a strengthening of the Icelandic Krona during the year, which resulted in an increase in gross profit of \$4.1 million to \$17.1 million.

Net loss was \$34.8 million, an improvement against the comparative year (\$116.3 million loss). This net loss and decrease against prior year is largely due to non-cash items including:

- A \$11.8 million non-cash loss (2013 - \$21.7 million non-cash loss) in the value of the embedded derivative liabilities resulting from aluminum price fluctuations and foreign exchange.

- A \$22.4 million write-down of development costs (2013 - \$120.5 million write-down). The write-down in 2014 is comprised of \$16.8 million for Dokie 2, \$0.3 million for the Upper Lillooet geothermal project (both related to a worsened outlook for obtaining power purchase agreements in British Columbia in the near term) and \$5.3 million for the Soda Lake plant and equipment and geothermal development projects.

Consolidated cash and cash equivalents at December 31, 2014 were \$63.2 million of which \$25.1 million is held in the Company's Icelandic subsidiary, HS Orka (\$41.7 million and \$33.9 million respectively at December 31, 2013).

Net Interest Results

Alterra's net interest in revenue increased by \$4.4 million to \$85.2 million against the comparative year due to increased revenue at HS Orka and higher flows at Toba Montrose. EBITDA increased by 42% to \$40.9 million (against 2013 pro forma, 20% against 2013 actual) primarily due to increased revenue and the impact of non-recurring costs at Toba Montrose in the prior year related to the removal of the damaged penstock from the rockslide.

The net interest cash position at December 31, 2014 was \$61.9 million.

Operating Results

For the year ended December 31, 2014, the Company's fleet wide generation was 101% of budget on a net interest basis.

Facility	2014 Generation (MWh)				
			Net Interest		% of Budget
	Budget ^(a)	Actual	Budget ^(a)	Actual	
Reykjanes	815,605	759,828	543,193	506,045	93%
Svartsengi	467,024	510,755	311,038	340,163	109%
Soda Lake ^(b)	68,500	68,555	68,500	68,555	100%
Toba Montrose	719,618	788,441	287,847	315,376	110%
Dokie 1	331,000	286,073	84,405	72,949	86%
TOTAL	2,401,747	2,413,652	1,294,983	1,303,088	101%

(a) Includes planned maintenance outages.

(b) The facility was sold on January 30, 2015.

Outlook

"We were pleased to achieve record generation and EBITDA this year, which shows the strength of our assets and our team," said Alterra's CEO, John Carson. "We look to build on this momentum in 2015 by focusing on the completion of our near-term growth projects, Jimmie Creek and Shannon, as well as filling out our longer-term development pipeline."

Alterra Power will host a conference call to discuss financial and operating results on Wednesday, March 25, 2015 at 11:30 am ET (8:30 am PT).

North American participants dial 1-888-390-0546 and International participants dial 1-416-764-8688; the conference ID is 76832254

The call will also be broadcast live on the Internet at <http://www.newswire.ca/en/webcast/detail/1490923/1660397>

The call will be available for replay for one week after the call by dialing 1-416-764-8677 and entering replay PIN 832254

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Cautionary Note Regarding Forward-Looking Statements and Information

Certain statements included in this news release may contain information that is forward-looking within the meaning of certain securities laws, including information and statements regarding prospective results of operations, financial position, cash flows or growth potential. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their very nature they require making assumptions and involve inherent risks and uncertainties. Alterra cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in the management's discussion and analysis section of Alterra's most recent annual report and quarterly report, and in Alterra's Annual Information Form. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, Alterra undertakes no obligation to update any forward-looking statements or information to reflect new information, subsequent or otherwise.