Alterra Power Corp. Acquires Hydro Development Projects

Vancouver, B.C., Canada, **October 20, 2015** – Alterra Power Corp. (TSX: AXY) is pleased to announce it has agreed to acquire the water rights for four hydroelectric development projects from Sigma Engineering (the Chusan, Powell, Eldred North and Eldred South projects). The projects are located approximately 20-30 kilometers from Alterra's existing Toba Montrose and Jimmie Creek projects, and are situated along the Toba Montrose transmission line. Each project is expected to have between 10-15 MW of generation capacity, and could be eligible for power purchase agreements under BC Hydro's Standing Offer Program. The acquisition is expected to be completed by the end of 2015 and is subject to satisfaction of customary conditions precedent.

Jay Sutton, Alterra's VP of Hydro said "Acquiring these projects gives us new expansion options in the Toba Valley where we will be operating nearly 300 MW of renewable generation once the Jimmie Creek project begins operating next summer."

About Alterra Power Corp.

Alterra Power Corp. is a leading global renewable energy company, operating five power plants totaling 553 MW of generation capacity, including British Columbia's largest run-of-river hydro facility and largest wind farm, and two geothermal facilities in Iceland. Alterra owns a 247 MW share of this capacity, generating over 1,250 GWh of clean power annually. Alterra has an extensive portfolio of exploration and development projects and a skilled international team of developers, explorers, builders and operators to support its growth plans. Alterra also has two new projects under construction:

- Shannon – 204 MW wind project located in Clay County Texas; expected to be in operation by Q4 2015 or Q1 2016; 50% owned by Alterra
- Jimmie Creek – 62 MW run-of-river hydro project adjacent to the existing Toba Montrose facility; expected to be in operation by Q3 2016; 51% owned by Alterra

Upon completion of these two projects Alterra will operate seven power plants totaling 819 MW of capacity and will own a 381 MW share of this capacity, generating over 1,700 GWh of clean power annually. Alterra has an extensive portfolio of exploration and development projects and a skilled international team of developers, explorers, builders and operators to support its growth plans.

The company trades on the Toronto Stock Exchange under the symbol **AXY** and OTC in the United States as **MGMXF.**

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Cautionary Note Regarding Forward-Looking Information

Certain statements and information included in this news release are "forward-looking information" within the meaning of Canadian securities laws that involve risks and uncertainties. Forward-looking information relates to future events or future performance and reflects management's expectations and beliefs regarding future events as of the date hereof. Examples of forward-looking information in this news release include our estimates of project generation capacity, project eligibility under BC Hydro's Standing Offer Program, the timing of completion of the acquisition, and the dates that the Shannon and Jimmie Creek projects will achieve commercial operations. Forward-looking information is based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection. Since forward-looking information relates to future events and conditions, by its very nature it requires making assumptions and involves 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 information. Material risk factors and assumptions include the risk that the preliminary capacity estimates are inaccurate, the ability to satisfy the conditions precedent to the completion of the acquisition on a timely basis or at all, the availability and suitability of the Standing Offer Program, and the ability to complete construction on the Shannon and Jimmie Creek projects, as well as those set out in the management's discussion and analysis section of Alterra's most recent annual and quarterly reports and in Alterra's Annual Information Form for the year ended December 31, 2014. Although Alterra has attempted to identify important factors that could cause actual actions, events or results to differ materially from forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate and undue reliance should not be placed on forward-looking information. Except as required by law, Alterra undertakes no obligation to update any forward-looking information to reflect new information, subsequent or otherwise.