Alterra Power Agrees to First Stage Refinancing of $72 Million Icelandic Bond

VANCOUVER, Sept. 30, 2016 /CNW/ - Alterra Power Corp. ("Alterra") is pleased to announce it has reached agreement to refinance a portion of the approximately $72 million bond (all amounts USD) held by Reykjavik Energy (Orkuveita Reykjavíkur, or "OR"), which was scheduled to mature in December 2016.

Under the agreement, OR will continue to hold 50% of the outstanding principal (approximately $36 million). The extended bond, issued from an Alterra subsidiary, will have substantially the same terms as the bond it replaces, except for the reduced principal, a maturity of 18 months, and a revised coupon of 5.0%. The extended bond is non-recourse to Alterra, with security consisting solely of approximately 17% of the outstanding shares of Alterra's Icelandic subsidiary, HS Orka.

The refinancing is subject to customary conditions precedent, including OR Board approval and repayment of 50% of the outstanding principal. Alterra is in advanced discussions with a second lender to provide the remaining $36 million payment to complete the refinancing. Alterra expects this second stage of the refinancing to be agreed and executed next week, and the full refinancing to be completed by mid-October 2016.

About Alterra Power Corp.
Alterra Power Corp. is a leading global renewable energy company, operating seven power plants totaling 819 MW of generation capacity including British Columbia's largest run-of-river hydro facility and largest wind farm, the recently completed Shannon and Jimmie Creek projects, and two geothermal facilities in Iceland. Alterra owns a 381 MW share of this capacity, generating over 1,700 GWh of clean power annually. Alterra also has an extensive portfolio of exploration and development projects and a skilled team of developers, builders and operators to support its growth plans.

Alterra trades on the Toronto Stock Exchange under the symbol **AXY.**

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 all statements regarding the refinancing of the bond issued to OR, including the issuance of the extended bond, OR board approval, Alterra's subsidiary, Magma Energy Sweden AB, obtaining financing for repayment of 50% of the original OR bond and the timing of closing. 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 fulfillment of conditions precedent, in addition to 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, 2015. 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, subsequently or otherwise.

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