
Alterra Power Announces Favourable Arbitration Results for Icelandic Subsidiary

Vancouver, B.C., Canada, December 1, 2016 – Alterra Power Corp. (TSX: *AXY*) is pleased to report that its 66%-owned subsidiary HS Orka hf (“HS Orka”) has received positive results from the arbitration concerning the validity of a power purchase agreement between HS Orka and Norðurál Helguvík ehf (“Norðurál”).

The arbitration panel determined that the power purchase agreement has lapsed due to certain circumstances, and therefore is at an end. The panel further determined that the ending of the contract was not due to any fault on the part of HS Orka, and that all counterclaims advanced by Norðurál in the arbitration have been denied.

Ásgeir Margeirsson, CEO of HS Orka said “We are pleased to have this longstanding issue behind us. This award will enable us to freely pursue new contractual opportunities in Iceland as new power becomes available to us.”

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***.

About HS Orka

HS Orka is the largest privately owned energy company in Iceland, producing 7% of the country's power needs and approximately 11% of the country's heating needs. Installed geothermal power capacity is 174 MW from the Svartsengi and Reykjanes power plants. In addition, HS Orka generates 190 MW of thermal energy for district heating. HS Orka also owns a 30% interest in the Blue Lagoon, a tourist resort that adjoins our Svartsengi power plant in Iceland.

For further information please contact:

Peter Lekich, Corporate Communications

Alterra Power Corp.

Phone: 604-235-6719

Email: info@alterrapower.ca