
Alterra Power Announces Dismissal of British Columbia Action

Vancouver, B.C., Canada, February 1, 2017 – Alterra Power Corp. ("Alterra") is pleased to announce the dismissal of the British Columbia action filed by Norðurál Helguvík ehf ("Norðurál") against Alterra regarding the 2007 power sales contract between Alterra's Icelandic subsidiary, HS Orka hf and Norðurál. The action was dismissed on January 27 by agreement of the parties.

John Carson, CEO of Alterra, commented: "The dismissal of this action, combined with the favorable arbitration results we received in late 2016, closes the final chapter in this longstanding dispute between the parties and significantly expands our growth capabilities in Iceland."

About Alterra Power Corp.

Alterra Power Corp. is a leading global renewable energy company, operating eight power plants totaling 825 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, two geothermal facilities in Iceland and a solar facility in Indiana. Alterra owns a 385 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

Alterra owns 66.6% of HS Orka, the largest privately owned energy company in Iceland. HS Orka supplies 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.

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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 applicable 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 management's expectations regarding any expansion of our growth capabilities in Iceland and the annual generation of our projects. 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 those risks customarily associated with litigation, risk that growth in Iceland does not occur as planned as well as others 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.