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 Helguvik 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.

For further information please contact:

Peter Lekich, Corporate Communications
Alterra Power Corp.
Phone: 604-235-6719
Email: info@alterrapower.ca

600 - 888 Dunsmuir Street|Vancouver|BC|V6C 2T6|Canada|T: 604 499.6999
info@alterrapower.ca www.alterrapower.ca