POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2016 THIRD QUARTER RESULTS

TORONTO, ON (November 8, 2016) – Polaris Infrastructure Inc. (TSX: PIF) ("Polaris Infrastructure" or the "Company"), a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America, is pleased to report its financial and operating results for the quarter ended September 30, 2016. This earnings release should be read in conjunction with Polaris Infrastructure's financial statements and management's discussion and analysis ("MD&A"), which are available on the Company's website at www.polarisinfrastructure.com and have been posted on SEDAR at www.sedar.com. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

San Jacinto-Tizate Project Highlights

- **Improved average power generation and revenue:** The San Jacinto-Tizate Power Plant (the "San Jacinto project") generated 120,358 MWh (net) (an average of 54.6 MW (net)), resulting in revenue of $14.3 million for the quarter ended September 30, 2016, compared to revenue of $12.9 million on generation of 112,210 MWh (net) (an average of 50.8 MW (net)), for the same period in 2015. The increase in power generation was the result of connecting two new wells to the San Jacinto plant, SJ 9-4 and SJ 6-3, which occurred part-way through the quarter. This increase was partially offset by downtime associated with unit 3 turbine maintenance, which took place in July 2016.
- **Record level Adjusted EBITDA driven by revenue growth from new wells:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $12.0 million in the third quarter of 2016, an 18% increase from the same period in 2015, driven by a strong increase in revenue and a modest decrease in costs. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.*
- **Successful connection of two new wells from the 2015/2016 drilling program:** After commencing in October 2015, the drilling execution portion of the 2015/2016 San Jacinto project drilling program was substantially completed on July 21, 2016. While a more detailed discussion of the 2015/2016 drilling program can be found in our MD&A, highlights are as follows:
    - Drilling of SJ 9-4 was completed on July 21, 2016, and the well was connected to the plant on August 24, 2016. Current power generation from the well is estimated at 10 MW. We continue closely monitoring the well in order to maximize near-term production while also best integrating into our broader steamfield management strategy.
    - The first new production well, SJ 6-3, was completed in late December 2015, and has been undergoing thermal recovery since then. The well was successfully connected to the plant on August 1, 2016, and on average has been contributing approximately 2-3 MW. We anticipate further modest improvements in temperature and pressure, which could result in average contribution approaching 3 MW.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three and nine months ended September 30, 2016 and 2015 are summarized below:

	Three months ended		Nine months ended	
(all $ figures in thousands except loss per share)	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Average production	54.6 MW (net)	50.8 MW (net)	49.8 MW (net)	50.1 MW (net)
Total revenue	$ 14,260	$ 12,896	$ 38,965	$ 38,048
Adjusted EBITDA (1)	11,961	10,143	32,178	29,723
Finance costs	(6,201)	(4,467)	(14,687)	(8,737)
Impairment loss	-	(30,345)	-	(40,440)
Net loss attributable to Owners of the Company	(1,642)	(24,222)	(6,017)	(36,047)
Loss per share (basic and diluted) attributable to Owners of the Company	($0.10)	($1.56)	($0.39)	($4.48)

	As at September 30, 2016	As at December 31, 2015
Total assets	$ 409,793	$ 415,863
Long-term debt	168,153	171,120
Total liabilities	215,370	212,974
Cash	42,415	61,592
Working capital	40,628	52,900

(1) Refer to *Use of Non-GAAP Measures* section for further details with respect to calculation of Adjusted EBITDA.

For the three months ended September 30, 2016, the Company reported revenue of $14.3 million and Adjusted EBITDA of $12.0 million, compared to revenue of $12.9 million and Adjusted EBITDA of $10.1 million, for the same period in 2015. The increase in revenue resulted from a combination of incremental power generation stemming from the partial-quarter impact of two new production wells, as well as the 3% annual tariff increase under the power purchase agreement. Average generation in the three months ended September 30, 2016, was negatively impacted by downtime associated with planned maintenance of the unit 3 turbine, which lasted two weeks in July 2016. The strong increase in Adjusted EBITDA reflects the increase in contribution from the San Jacinto project, combined with a modest decrease in expenses. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss*.

For the nine months ended September 30, 2016, the Company reported revenue of $39.0 million and Adjusted EBITDA of $32.2 million, compared to revenue of $38.0 million and Adjusted EBITDA of $29.7 million, for the same period in 2015. The increase in revenue was the result of the 3% annual tariff increase offsetting a modest decrease in average power generation. The increase in Adjusted EBITDA reflects the combination of reduced general and administrative expenses, paired with a modest increase in contribution from the San Jacinto project. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss*.

For the nine months ended September 30, 2016, the Company had net operating cash inflows of $14.8 million, net investing cash outflows of $24.4 million and net financing cash outflows of $9.5 million. The Company expended $22.2 million with respect to the 2015/2016 San Jacinto drilling program. At September 30, 2016, the Company had cash of $42.4 million, of which $16.4 million was held for current use in the San Jacinto project.

"We are pleased with the operating results of the third quarter of 2016, particularly given the time and effort over the last twelve months that have gone into successful execution of our drilling program," said Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "Achieving the successful connection of two new wells is a major milestone for our Company and leaves us well positioned to deliver clean, renewable energy to the people of Nicaragua, as well as strong returns to our shareholders."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended September 30, 2016 on Wednesday, November 9, 2016 at 10:00 am EST.
To listen to the call, please dial +1 (647) 788-4919 or +1 (877) 291-4570.

A digital recording of the earnings call will be available for replay two hours after the call's completion, until November 23, 2016. Please dial +1 (416) 621-4642 or +1 (800) 585-8367; Conference ID: 92791008.

About Polaris Infrastructure

Polaris Infrastructure is a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America. Currently, the Company operates a 72MW geothermal project located in Nicaragua.

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USE OF NON-GAAP MEASURES

Certain measures in this document do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") and, therefore, are not considered generally accepted accounting principles ("GAAP") measures. Where non-GAAP measures or terms are used, definitions are provided. In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

EBITDA is a non-GAAP metric used by many investors to compare companies on the basis of ability to generate cash from operations. The Company uses Adjusted EBITDA to assess its operating performance without the effects of (as applicable): current and deferred tax expense, finance costs, interest income, other gains and losses, impairment loss, depreciation and amortization of plant assets, share-based compensation and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature and are not factors used by management for evaluating the performance of the Company. The Company believes the presentation of this measure will enhance an investor's understanding of its operating performance. Adjusted EBITDA is not intended to be representative of cash provided by operating activities or results of operations determined in accordance with GAAP. The table below reconciles between Adjusted EBITDA and Net loss and comprehensive loss, calculated in accordance with IFRS.

	Three months ended		Nine months ended	
(in thousands)	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Total loss and comprehensive loss attributable to Owners of the Company	$ (1,642)	$ (24,222)	$ (6,017)	$ (36,047)
Add (deduct):				
Net loss attributable to non-controlling interest	(12)	(279)	(48)	(279)
Current and deferred tax expense	2,100	(7,174)	5,696	(6,044)
Finance costs	6,201	4,467	14,687	8,737
Interest income	(51)	(25)	(219)	(53)
Other losses (gains)	303	139	469	1,950
Impairment loss	-	30,345	-	40,440
Depreciation and amortization of plant assets	4,865	6,558	16,807	19,865
Share-based compensation	197	334	803	1,154
Adjusted EBITDA	$ 11,961	$ 10,143	$ 32,178	$ 29,723

Cautionary Statements

This news release contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenue, requirements for additional capital, revenue and production costs, future demand for and prices of electricity, business prospects and opportunities. In addition, statements relating to estimates of recoverable geothermal energy "reserves" or "resources" or energy generation are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the geothermal resources and reserves described can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current geothermal energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the geothermal industry; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities, or in the commencement of operations; the ability of the Company to continue as a going concern and general economic conditions, as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form. These factors should be considered carefully and readers of this news release should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The information in this news release, including such forward-looking information, is made as of the date of this news release and, other than as required by applicable securities laws, Polaris Infrastructure assumes no obligation to update or revise such information to reflect new events or circumstances.