POLARIS

**POLARIS INFRASTRUCTURE ANNOUNCES 2017 FIRST QUARTER RESULTS**

TORONTO, ON (May 9, 2017) – 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 March 31, 2017. 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*

- **Strong power generation:** The San Jacinto-Tizate Power Plant (the “San Jacinto project”) generated 108,894 MWh (net) (an average of 50.4 MW (net)), resulting in revenue of $13.4 million for the three months ended March 31, 2017, versus revenue of $12.6 million on generation of 105,599 MWh (net) (an average of 48.4 MW (net)) in the prior year period. The 6% revenue increase was due to higher average production in 2017 as well as the impact of the 3% annual tariff increase. Absent the impact of downtime associated with turbine maintenance, we estimate average generation and revenue for the three months ended March 31, 2017 would have been 57.4 MW (net) and $15.2 million, respectively.

- **Strong cash flow generation:** Cash flow from operations of $8.9 million resulted in a net cash increase of $2.6 million in the quarter ended March 31 2017, despite the revenue impact from turbine maintenance and after deducting debt service, dividend payment and capital investments. The Company generated Adjusted EBITDA (a non-GAAP measure) of $10.9 million in the three months ended March 31, 2017, a 5% increase from the prior year period, despite the impact of planned downtime in 2017. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

- **Successful conclusion of annual turbine maintenance:** Comprehensive preventative maintenance was completed on the Unit 4 turbine at the San Jacinto project over the course of three weeks in February 2017. This exercise was completed on schedule and on budget, and leaves the Company well positioned for consistent turbine performance throughout 2017 and 2018, given that the Unit 3 turbine was recently serviced as well, in July 2016. We estimate that downtime associated with turbine maintenance resulted in foregone average power generation of approximately 7 MW (net) in the first quarter of 2017.

- **Commencement of 2017 Drilling Program:** The Company’s wholly-owned operating subsidiary, Polaris Energy Nicaragua S.A. (“PENSA”), which owns and operates the San Jacinto project, commenced drilling of SJ 11-2 on April 29, 2017. SJ 11-2 will be an injection well, providing important additional injection capacity as well flexibility to integrate a binary unit into the San Jacinto project, which is planned for 2018 installation. PENSA plans to commence drilling of a new projection well in July 2017, after findings from various geotechnical surface studies presently underway, have been incorporated.

**FINANCIAL OVERVIEW**

The financial results of Polaris Infrastructure for the three months ended March 31, 2017 and 2016 are summarized below:

| | Three months ended | |
|---|---|---|
| *(all $ figures in thousands except income (loss) per share)* | March 31, 2017 | March 31, 2016 |
| Average production | 50.4 MW (net) | 48.4 MW (net) |
| Total revenue | $ 13,368 | $ 12,560 |
| Adjusted EBITDA (1) | 10,895 | 10,379 |
| Finance costs | (4,296) | (4,247) |
| Total loss attributable to Owners of the Company | (1,167) | (2,070) |
| Total loss per share (basic and diluted) attributable to Owners of the Company | ($0.07) | ($0.13) |
| | As at March 31, 2017 | As at December 31, 2016 |
| Total assets | $ 406,622 | $ 409,248 |
| Long-term debt | 163,800 | 166,238 |
| Total liabilities | 214,827 | 214,590 |
| Cash | 48,378 | 45,739 |
| Working capital | 43,594 | 43,921 |

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

For the three months ended March 31, 2017, the Company reported revenue of $13.4 million and Adjusted EBITDA of $10.9 million, compared to revenue of $12.6 million and Adjusted EBITDA of $10.4 million, for the same period in 2016. The increase in revenue resulted from the 3% annual tariff increase combined with a 3.1% increase in power generation at the San Jacinto project. The improvement in Adjusted EBITDA reflects increased contribution from the San Jacinto plant more than offsetting a modest increase in costs. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.*

For the quarter ended March 31, 2017, the Company had net operating cash inflows of $8.9 million, net investing cash outflows of $1.9 million and net financing cash outflows of $4.3 million. At March 31, 2017, the Company had cash of $48.4 million, of which $26.9 million was held for current use in the San Jacinto project.

"In light of the impact from turbine maintenance, we are pleased with results from the first quarter of 2017," noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "Planned overhaul of the Unit 4 turbine was executed very smoothly and yielded excellent findings in terms of the condition and efficient operation of the turbine. Looking forward, we are well-positioned to create shareholder value by bringing average generation closer to the 72 MW level supported by both our existing plant infrastructure and our power purchase agreement."

**Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended March 31, 2017 on Thursday, May 11, 2017 at 10:00 am EDT.**
**To listen to the call, please dial +1 (647) 427-2311 or +1 (866) 521-4909.**

**A digital recording of the earnings call will be available for replay two hours after the call's completion, until May 15, 2017. Please dial +1 (416) 621-4642 or +1 (800) 585-8367; Conference ID: 2059738.**

**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 income (loss) and comprehensive Income (loss), calculated in accordance with IFRS.

| | Three months ended | |
|---|---|---|
| *(in thousands)* | March 31, 2017 | March 31, 2016 |
| Total loss attributable to Owners of the Company | $ (1,167) | $ (2,070) |
| Add (deduct): | | |
| Loss attributable to non-controlling interest | (9) | (17) |
| Current and deferred tax (expense) recovery | 2,159 | 1,836 |
| Finance costs | 4,296 | 4,247 |
| Interest income | (90) | (75) |
| Other losses | 132 | 142 |
| Depreciation and amortization of plant assets | 5,383 | 5,988 |
| Share-based compensation | 191 | 328 |
| Adjusted EBITDA | $ 10,895 | $ 10,379 |

**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.