POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2017 SECOND QUARTER RESULTS

TORONTO, ON (August 8, 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 June 30, 2017. This earnings release should be read in conjunction with Polaris Infrastructure's financial statements and management's discussion and analysis, 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

- **Quarterly revenue growth of 31% year-over-year:** The San Jacinto-Tizate Power Plant (the "San Jacinto project") generated 129,233 MWh (net) (an average of 59.2 MW (net)), resulting in revenue of $15.9 million for the three months ended June 30, 2017, versus revenue of $12.1 million on generation of 101,515 MWh (net) (an average of 46.5 MW (net)) in the prior year period. The 31% revenue increase was due to significantly higher average production in 2017 as well as the impact of the 3% annual tariff increase.

- **Strong Adjusted EBITDA stemming from revenue growth:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $13.6 million in the three months ended June 30, 2017, a 38% increase from the prior year period. This growth, stemming from a strong revenue increase and nominal increase in costs, reflects the core operating leverage built into San Jacinto project. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

- **Progress with 2017 Drilling Program including new injection well:** The Company's wholly-owned operating subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), which owns and operates the San Jacinto project, concluded drilling of SJ 11-2, a new injection well, in early June 2017. The well was completed on-time and on-budget, after successfully hitting the targeted zone of permeability. Based on injectivity testing completed to date, SJ 11-2 is expected to accept a significant volume of geothermal fluids for reinjection, further increasing operating flexibility with respect to the long-term management of the San Jacinto reservoir. We anticipate SJ 11-2 being available for service in August 2017, following completion of construction and fabrication activities.

- **Successful drilling execution related to possible new San Jacinto production well:** Immediately following drilling of SJ 11-2, PENSA proceeded with drilling SJ 4-2, a planned new production well. Having reached the targeted depth, drilling of SJ 4-2 was concluded on July 31, 2017. Preliminary downhole measurements indicate the presence of permeability, while temperature of the well continues to increase and wellhead pressure is adequate. Accordingly, PENSA plans to start testing the well within the next few weeks, at which point we should have a preliminary view as to the productive capacity of SJ 4-2. Our estimate is that SJ 4-2 could be connected to the plant and contributing incremental steam flows by mid-September 2017.

- **Further production well drilling to commence in early September:** PENSA anticipates drilling of a second new production well, SJ 12-4, as part of the 2017 drilling program, to commence on approximately September 7, 2017. Further, we have confirmed rig availability and have identified targets, so drilling a third new production well is something we will assess in the coming weeks, based in part on the outcome of drilling SJ 4-2 and SJ 12-4.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three and six months ended June 30, 2017 and 2016 are summarized below:

	Three months ended		Six months ended	
(all $ figures in thousands except income (loss) per share)	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Average production	59.2 MW (net)	46.5 MW (net)	54.8 MW (net)	47.4 MW (net)
Total revenue	$ 15,913	$ 12,145	$ 29,281	$ 24,705
Adjusted EBITDA [(1)]	13,581	9,838	24,475	20,217
Finance costs	(4,354)	(4,239)	(8,650)	(8,486)
Total earnings (loss) attributable to Owners of the Company	1,189	(2,305)	22	(4,375)
Total earnings (loss) per share (basic and diluted) attributable to Owners of the Company	$0.08	($0.15)	$0.00	($0.28)
			As at June 30, 2017	As at December 31, 2016
Total assets			$ 408,264	$ 409,248
Long-term debt			161,342	166,238
Total liabilities			218,504	214,590
Cash			43,999	45,739
Working capital			38,377	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 June 30, 2017, the Company reported revenue of $15.9 million and Adjusted EBITDA of $13.6 million, compared to revenue of $12.1 million and Adjusted EBITDA of $9.8 million, for the same period in 2016. The increase in revenue resulted from the 3% annual tariff increase combined with a 27% 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 six months ended June 30, 2017, the Company reported revenue of $29.3 million and Adjusted EBITDA of $24.5 million, compared to revenue of $24.7 million and Adjusted EBITDA of $20.2 million, for the same period in 2016. The increase in revenue resulted from the 3% annual tariff increase combined with a 15% increase in average power generation at the San Jacinto project, which came despite the impact of planned downtime for turbine maintenance in the first quarter of 2017, which did not occur in the prior year. The improvement in Adjusted EBITDA reflects increased revenue from the San Jacinto plant with minimal accompanying cost increases. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.*

For the six months ended June 30, 2017, the Company had net operating cash inflows of $15.0 million, net investing cash outflows of $8.0 million and net financing cash outflows of $8.7 million. At June 30, 2017, the Company had cash of $44.0 million, of which $25.2 million was held for current use in the San Jacinto project.

"We are pleased with our achievements during the second quarter of 2017," noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "Our 2017 drilling program at the San Jacinto project is off to a good start and we are optimistic that we will bring additional production online later this year. We look forward to providing further updates with respect to the outcome of the 2017 drilling program in the weeks ahead."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended June 30, 2017 on Wednesday, August 9, 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 August 15, 2017. Please dial +1 (416) 621-4642 or +1 (800) 585-8367; Conference ID: 51249271.

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		Six months ended	
(in thousands)	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Total earnings (loss) attributable to Owners of the Company	$ 1,189	$ (2,305)	$ 22	$ (4,375)
Add (deduct):				
Loss attributable to non-controlling interest	24	(19)	15	(36)
Current and deferred tax (expense) recovery	2,020	1,760	4,179	3,596
Finance costs	4,354	4,239	8,650	8,486
Interest income	(149)	(93)	(239)	(168)
Other losses	102	23	234	165
Depreciation and amortization of plant assets	5,415	5,955	10,797	11,943
Share-based compensation	626	278	817	606
Adjusted EBITDA	$ 13,581	$ 9,838	$ 24,475	$ 20,217

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.