POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2017 THIRD QUARTER RESULTS

TORONTO, ON (November 7, 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 September 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

- **Substantial progress with 2017 drilling program at the San Jacinto-Tizate Power Plant (the "San Jacinto project"):**

  - **Successful completion of new production well, SJ 12-4:** Drilling of the second new production well as part of the 2017 San Jacinto drilling program, SJ 12-4, was completed on November 1, 2017. As contemplated in the drilling plan, a total loss of drilling fluids was experienced, indicating a zone of high permeability and the well was completed at a depth of approximately 2,630 metres measured depth. Reaching the targeted zone of permeability via SJ 12-4 reflects an expansion of the steamfield to the north, and bodes well for planned drilling of SJ 12-5, which will further extend the production zone to the north. After a heating-up period, we estimate SJ 12-4 will be in position to complete flow-testing in early 2018, and will provide further updates as appropriate. The Company expects to connect SJ 12-4 to the San Jacinto power plant late in the second quarter of 2018, following completion of certain above-ground piping and infrastructure investments.

  - **Connection of SJ 4-2 to the San Jacinto plant:** Following conclusion of drilling in late July 2017, SJ 4-2 was connected to the plant in late August 2017. Preliminary mass flows and testing indicate that SJ 4-2 is producing steam flows of approximately 14 tones per hour (tph) and approximately 1.5 to 2 MW of annualized generation.

  - **Connection of SJ 11-2, a significant new injection well, to the San Jacinto plant:** Drilling of SJ 11-2, a directional injection well, was completed in early June 2017, and the well was put into service as planned, in mid-August 2017. Injectivity measurements to date suggest an absorption capacity of approximately 1,000 tph, meaning that SJ 11-2 significantly enhances overall reinjection capacity at the San Jacinto project. This increase in reinjection capacity allowed for another injection well, SJ 9-2, to be taken off-line and allowed to heat up, in hopes that it will flow as a production well. We will provide further updates with respect to possible conversion of SJ 9-2 to a production well in the weeks ahead, as appropriate.

  - **Further production well drilling to continue in November 2017:** With availability of the rig and favourable economies of scale associated with drilling multiple wells, PENSA is moving forward with plans to drill a third new production well as part of the 2017 San Jacinto drilling program. This well, SJ 12-5, will be drilled off the same well-pad as SJ 12-4, likely targeting further expansion of the production zone at San Jacinto to the north or northwest. Drilling of SJ 12-5 is expected to commence in November 2017.

- **Quarterly revenue growth of 7% year-over-year:** The San Jacinto project generated 125,125 MWh (net) (an average of 56.7 MW (net)), resulting in revenue of $15.3 million for the three months ended September 30, 2017, versus revenue of $14.3 million on generation of 120,358 MWh (net) (an average of 54.6 MW (net)) in the prior year period. The 7% revenue increase was due to 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 $12.9 million in the three months ended September 30, 2017, an 8% increase from the prior year period. This growth, stemming from an increase in revenue increase and flat 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).*

FINANCIAL OVERVIEW

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

	Three months ended		Nine months ended	
(all $ figures in thousands except income (loss) per share)	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Average production	56.7 MW (net)	54.6 MW (net)	55.4 MW (net)	49.8 MW (net)
Total revenue	$ 15,266	$ 14,260	$ 44,547	$ 38,965
Adjusted EBITDA (1)	12,910	11,961	37,384	32,178
Finance costs	(4,356)	(6,201)	(13,006)	(14,687)
Total earnings (loss) attributable to Owners of the Company	890	(1,642)	911	(6,017)
Total earnings (loss) per share (basic and diluted) attributable to Owners of the Company	$0.06	($0.10)	$0.06	($0.39)

	As at September 30, 2017	As at December 31, 2016
Total assets	$ 407,872	$ 409,248
Long-term debt	158,851	166,238
Total liabilities	219,366	214,590
Cash	40,887	45,739
Working capital	33,203	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 September 30, 2017, the Company reported revenue of $15.3 million and Adjusted EBITDA of $12.9 million, compared to revenue of $14.3 million and Adjusted EBITDA of $12.0 million, for the same period in 2016. The increase in revenue resulted from the 3% annual tariff increase combined with a 4% increase in average power generation at the San Jacinto project. The improvement in Adjusted EBITDA reflects increased contribution from the San Jacinto plant, combined with continued focus on cost control. *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, 2017, the Company reported revenue of $44.5 million and Adjusted EBITDA of $37.4 million, compared to revenue of $39.0 million and Adjusted EBITDA of $32.2 million, for the same period in 2016. The increase in revenue resulted from the 3% annual tariff increase combined with an 11% increase in average power generation at the San Jacinto project. 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 nine months ended September 30, 2017, the Company had net operating cash inflows of $25.8 million, net investing cash outflows of $17.5 million and net financing cash outflows of $13.2 million. At September 30, 2017, the Company had a cash balance of $40.9 million, of which $25.1 million was held for current use in the San Jacinto project.

“We are pleased with our achievements during the third quarter of 2017,” noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. “The San Jacinto steamfield continues to deliver consistent generation and validates our strategy to expand the size of the resource and capitalize on the operating leverage we maintain. To that end, our 2017 drilling program appears to be yielding strong results and we look forward to providing further updates in the weeks ahead, as wells are assessed and then flow-tested."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended September 30, 2017 on Wednesday, November 8, 2017 at 10:00 am EST. 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 conclusion of the call, until November 15, 2017. Please dial +1 (416) 621-4642 or +1 (800) 585-8367; Conference ID: 85394674.

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		Nine months ended	
(in thousands)	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Total earnings (loss) attributable to Owners of the Company	$ 890	$ (1,642)	$ 911	$ (6,017)
Add (deduct):				
Net loss attributable to non-controlling interest	(16)	(12)	(1)	(48)
Income tax (expense) recovery	2,050	2,100	6,230	5,696
Finance costs	4,356	6,201	13,006	14,687
Interest income	(178)	(51)	(417)	(219)
Other losses	257	303	491	469
Depreciation and amortization of plant assets	5,443	4,865	16,240	16,807
Share-based compensation	108	197	924	803
Adjusted EBITDA	$ 12,910	$ 11,961	$ 37,384	$ 32,178

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.