POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2017 YEAR END RESULTS

TORONTO, ON (March 6, 2018) – 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 audited financial and operating results for the year ended December 31, 2017. This earnings release should be read in conjunction with Polaris Infrastructure's Consolidated 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

- **Substantial completion of the 2017/2018 drilling program at the San Jacinto-Tizate Power Plant (the "San Jacinto project"):**

  - Production well SJ 12-5 was completed in early January 2018 and successfully flow-tested later that month. SJ 12-5 was connected to the plant on February 27, 2018, though due to separation capacity constraints, the well has been restricted and SJ 12-3 was temporarily taken out of service. Accordingly, it remains difficult to meaningfully estimate the sustained level of generation to expect from SJ 12-5. Based on testing completed to date, as well as the limited ability to draw conclusions while connected to the plant, we remain confident that the estimated productive capacity of SJ 12-5 is between 8 to 12 MW. It is important to note that geothermal wells take time to reach stabilization and hence initial estimates for SJ 12-5 may change.

  - SJ 12-4 meanwhile, the other new production well, was completed in early November 2017, with favourable temperature and permeability readings. The well was successfully flow-tested in late January 2018, through to mid-February 2018, when it was shut-in to facilitate completion of the Unit 3 turbine maintenance process, as discussed below. Management's expectation continues to be that SJ 12-4 will contribute average generation in the 4 to 6 MW range.

- **Record-level annual power generation and revenue:** The San Jacinto project achieved its highest ever annual levels of power generation and revenue in 2017. Total generation was 490,765 MWh (net) (an average of 56.0 MW (net)), resulting in revenue of $60.1 million for the year ended December 31, 2017, versus revenue of $54.7 million on generation of 459,990 MWh (net) (an average of 52.4 MW (net)) in the prior year. The 10% revenue increase was due to higher average production in 2017 as well as the impact of the 3% annual tariff increase.

- **Significant increase in Adjusted EBITDA:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $50.3 million in 2017, an 11% increase from 2016, driven by increased San Jacinto project revenues. Adjusted EBITDA margins improved slightly, from 83% for 2016, to 84% for 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 3 turbine at the San Jacinto project over the course of two and a half weeks in February 2018. This exercise was completed ahead of schedule and under budget, and leaves us well positioned for consistent turbine performance throughout 2018 and 2019, given that the Unit 4 turbine was likewise serviced in February 2017. Along with performance of various maintenance activities throughout the steamfield during the turbine maintenance period, we will commission a new separator station with increased capacity and efficiency in May 2018, on pad 12, which is expected to further contribute towards optimizing above-ground operations.

FINANCIAL OVERVIEW

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

	Three months ended		Year ended	
(all $ figures in thousands except income (loss) per share)	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Average production	57.8 MW (net)	60.0 MW (net)	56 MW (net)	52.4 MW (net)
Total revenue	$ 15,559	$ 15,694	$ 60,107	$ 54,659
Adjusted EBITDA (1)	12,959	13,294	50,343	45,473
Finance costs	(4,335)	(4,340)	(17,341)	(19,027)
Total earnings (loss) attributable to Owners of the Company	752	1,756	1,664	(4,261)
Total earnings (loss) per share (basic and diluted) attributable to Owners of the Company	$0.05	$0.11	$0.11	($0.27)
			As at December 31, 2017	As at December 31, 2016
Total assets			$ 407,258	$ 409,248
Long-term debt			156,354	166,238
Total liabilities			220,049	214,590
Cash			37,217	45,739
Working capital			28,327	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 December 31, 2017, the Company reported revenue of $15.6 million and Adjusted EBITDA of $13.0 million, compared to revenue of $15.7 million and Adjusted EBITDA of $13.3 million, for the same period in 2016. The nominal decrease in revenue resulted from a 4% decrease in average power generation at the San Jacinto project, largely offset by the 3% annual tariff increase under the power purchase agreement. The higher average generation in the prior year period resulted from higher than typical steam flows from two new wells connected to the San Jacinto plant in the third quarter of 2016. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

For the year ended December 31, 2017, the Company reported revenue of $60.1 million and Adjusted EBITDA of $50.3 million, compared to revenue of $54.7 million and Adjusted EBITDA of $45.5 million, for the same period in 2016. The 10% increase in revenue was primarily owed to the increase in average generation, as well as the 3% annual tariff increase. Adjusted EBITDA growth of $4.9 million was primarily the result of revenue growth at the San Jacinto project, combined with lower general and administrative expenses. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

For the year ended December 31, 2017, the Company had net operating cash inflows of $34.6 million, net investing cash outflows of $25.1 million (substantially related to the 2017/2018 San Jacinto Drilling Program) and net financing cash outflows of $18.0 million (related to dividends and repayment of debt). As at December 31, 2017, the Company had cash of $37.2 million, of which $24.4 million was held for current use in the San Jacinto project.

“We are pleased with the progress we’ve made this year towards our most immediate objective, being the optimization of the San Jacinto project” noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. “We are optimistic that the wells we recently drilled, once connected, will bring us very close to the 72 MW (net) level we have been targeting since we initiated the 2015 recapitalization transaction. Our expectation therefore, is that 2018 will see lower investment into the San Jacinto project, allowing increased emphasis on new and compelling growth opportunities. We remain optimistic with respect to our ability to create further value for our shareholders going forward.”

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		Year ended	
(in thousands)	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Total earnings (loss) attributable to Owners of the Company	$ 752	$ 1,756	$ 1,664	$ (4,261)
Add (deduct):				
Net loss attributable to non-controlling interest	11	5	10	(43)
Income tax (expense) recovery	2,024	1,888	8,254	7,584
Finance costs	4,335	4,340	17,341	19,027
Interest income	(119)	(68)	(536)	(286)
Other losses	121	(163)	612	306
Depreciation and amortization of plant assets	5,493	5,373	21,732	22,180
Share-based compensation	342	163	1,266	966
Adjusted EBITDA	$ 12,959	$ 13,294	$ 50,343	$ 45,473

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.