POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2018 THIRD QUARTER RESULTS

TORONTO, ON (November 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 financial and operating results for the quarter ended September 30, 2018. 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

- **Record-level power generation and revenue:** The San Jacinto-Tizate Power Plant (the "San Jacinto project") generated 144 GWh (net) (an average of 65.4 MW (net)), resulting in revenue of $18.2 million for the three months ended September 30, 2018, versus revenue of $15.9 million on generation of 125 GWh (net) (an average of 56.7 MW (net)) in the prior year period. The 14% revenue increase was due to higher average production in the third quarter of 2018 as well as the impact of the 3% annual tariff increase.

- **Strong cash flow generation:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $15.5 million in the three months ended September 30, 2018, an 20% increase from the prior year period, reflecting strong revenue growth with ongoing control of costs. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

- **Consistent performance from the San Jacinto steamfield:** The Company's wholly-owned operating subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), which owns and operates the San Jacinto project, successfully connected all recently drilled wells during the second quarter of 2018. Along with the commissioning of a new separator station on pad 12, HPS3, steam production has been sufficient to bring the San Jacinto plant close to its 77 MW (gross) nameplate capacity. At this time the plant is operating in the 70-72 MW (gross) range.

Acquisition of Union Energy Group Corp.

As disclosed in a press release dated October 30, 2018, subsequent to the September 30, 2018 reporting date, the Company announced the acquisition of Union Energy Group Corp. ("UEG"). UEG is an owner and developer of run-of-river hydro projects located in Peru. The financial and operating results of UEG will be consolidated in the financial statements of the Company beginning as of the period ended December 31, 2018.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three and six months ended September 30, 2018 and 2017 are summarized below:

	Three months ended		Nine months ended	
(all $ figures in thousands except income (loss) per share)	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Average production	65.4 MW (net)	56.7 MW (net)	61.1 MW (net)	55.4 MW (net)
Total revenue	$ 18,151	$ 15,266	$ 50,538	$ 44,547
Adjusted EBITDA (1)	15,538	12,910	43,023	37,384
Finance costs	(4,108)	(4,356)	(12,197)	(13,006)
Total earnings attributable to Owners of the Company	3,980	890	8,402	911
Total earnings per share (basic and diluted) attributable to Owners of the Company	$0.25	$0.06	$0.54	$0.06
			As at September 30, 2018	As at December 31, 2017
Total assets			$ 402,634	$ 407,258
Long-term debt			146,219	156,354
Total liabilities			213,883	220,049
Cash			39,916	37,217
Working capital			36,147	28,327

(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, 2018, the Company reported revenue of $18.2 million and Adjusted EBITDA of $15.5 million, compared to revenue of $15.3 million and Adjusted EBITDA of $12.9 million, for the same period in 2017. The increase in revenue resulted from an 15% increase in power generation at the San Jacinto project, combined with the 3% annual tariff increase under the power purchase agreement. The improvement in Adjusted EBITDA reflects increased contribution from the San Jacinto plant combined with ongoing control of costs. *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, 2018, the Company reported revenue of $50.5 million and Adjusted EBITDA of $43 million, compared to revenue of $44.5 million and Adjusted EBITDA of $37.4 million, for the same period in 2017. The increase in revenue was again driven by the increase in power generation at the San Jacinto project stemming from connection of new geothermal wells, combined with the 3% annual tariff increase. The improvement in Adjusted EBITDA reflects increased contribution from the San Jacinto plant combined with ongoing control of costs. *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, 2018, the Company had net operating cash inflows of $29.4 million and net financing cash outflows of $16.6 million. Net investing cash outflows of $10.1 million included $7.4 million of capital expenditure related to the substantial conclusion of the 2017/2018 drilling and infrastructure program, as well as $0.7 million with respect to turbine maintenance activities. At September 30, 2018, the Company had cash of $39.9 million, of which $12.4 million was held in a debt service reserve account for the San Jacinto project.

"The San Jacinto project has proven to be a strong and reliable producer of power, being sold directly into the Nicaragua national grid," commented Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "We are very pleased, having substantially improved the financial and operating performance of the San Jacinto project, and hence the Company, that we were successful in completing the previously announced acquisition of Union Energy Group. This acquisition reflects the next step in our plan to continue delivering strong shareholder returns, by growing and diversifying the Company."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended September 30, 2018 on Wednesday, November 7, 2018 at 10:00 am EST.
To listen to the call, please dial +1 (647) 427-7450 or +1 (888) 231-8191.

A digital recording of the earnings call will be available for replay two hours after the call's completion, until November 14, 2018. Please dial +1 (416) 849-0833 or +1 (855) 859-2056; Conference ID: 9185485.

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 owns and operates a geothermal project located in Nicaragua and hydro projects located in Peru.

Investor Relations
Polaris Infrastructure Inc.
Phone: +1 416-849-2587
Email: info@polarisinfrastructure.com

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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Total earnings attributable to Owners of the Company	$ 3,980	$ 890	$ 8,402	$ 911
Add (deduct):				
Net earnings (loss) attributable to non-controlling interest	30	(16)	62	(1)
Income tax expense	1,938	2,050	6,000	6,230
Finance costs	4,108	4,356	12,197	13,006
Interest income	(247)	(178)	(539)	(417)
Other losses	254	257	439	491
Depreciation and amortization of plant assets	5,721	5,443	17,056	16,240
Share-based compensation	(246)	108	(594)	924
Adjusted EBITDA	$ 15,538	$ 12,910	$ 43,023	$ 37,384

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.