POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2018 FIRST QUARTER RESULTS

TORONTO, ON (May 8, 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 March 31, 2018. 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

- **Connection of new wells following 2017/2018 Drilling Program:** The Company’s wholly-owned operating subsidiary, Polaris Energy Nicaragua S.A. (“PENSA”), which owns and operates the San Jacinto-Tizate Power Plant (the “San Jacinto project”), successfully connected both recently drilled wells, SJ 12-4 and SJ 12-5. Commissioning of a new separator station on pad 12, HPS3, along with connection of accompanying piping and infrastructure, was concluded on April 30, 2018. The commissioning of HPS3 serves to substantially increase separation capacity for the pad 12 wells and has allowed for the connection of the recently drilled wells, SJ 12-4 and SJ 12-5. Initial steam production from SJ 12-4 and SJ 12-5, combined with other production wells, appears sufficient to bring the San Jacinto plant marginally over its 77 MW (gross) nameplate capacity. At this time the plant is operating in the 70-75 MW (gross) range and we will continue to implement operational adjustments with the objective of achieving our capacity limit in the short term.

- **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 approximately two and a half weeks in February 2018. This exercise was completed on schedule and on budget and leaves the Company well-positioned for consistent turbine performance throughout 2018 and 2019, given that the Unit 4 turbine was serviced in early 2017.

- **Strong power generation:** The San Jacinto project generated 116 GWh (net) (an average of 53.0 MW (net)), resulting in revenue of $14.7 million for the three months ended March 31, 2018, versus revenue of $13.4 million on generation of 109 GWh (net) (an average of 50.4 MW (net)) in the prior year period. The 10% revenue increase was due to higher average production in the first quarter of 2018 as well as the impact of the 3% annual tariff increase. Relative to the prior year period, the first quarter of 2018 benefitted from incremental steam flows from the partial connection of SJ 12-5, as well as a shorter downtime period with respect to turbine overhaul.

- **Strong cash flow generation:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $12.3 million in the three months ended March 31, 2018, a 13% increase from the prior year period, reflecting 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).*

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three months ended March 31, 2018 and 2017 are summarized below:

(all $ figures in thousands except income (loss) per share)	Three months ended March 31, 2018	Three months ended March 31, 2017
Average production	53.9 MW (net)	50.4 MW (net)
Total revenue	$ 14,730	$ 13,368
Adjusted EBITDA (1)	12,348	10,895
Finance costs	(4,239)	(4,296)
Total earnings (loss) attributable to Owners of the Company	512	(1,167)
Total earnings (loss) per share (basic and diluted) attributable to Owners of the Company	$0.03	($0.07)
	As at March 31, 2018	As at December 31, 2017
Total assets	$ 402,663	$ 407,258
Long-term debt	153,393	156,354
Total liabilities	217,222	220,049
Cash	34,756	37,217
Working capital	26,554	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 March 31, 2018, the Company reported revenue of $14.7 million and Adjusted EBITDA of $12.3 million, compared to revenue of $13.4 million and Adjusted EBITDA of $10.9 million, for the same period in 2017. The increase in revenue resulted from the 3% annual tariff increase combined with a 7% increase in power generation at the San Jacinto project. 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 quarter ended March 31, 2017, the Company had net operating cash inflows of $9.9 million, net investing cash outflows of $7 million and net financing cash outflows of $5.3 million. At March 31, 2017, the Company had cash of $34.8 million, of which $12.5 million was held in a debt service reserve account for the San Jacinto project.

"The connection of all wells at the San Jacinto project represents the outcome of a great deal of teamwork, effort and capital investment. This is an important milestone for Polaris Infrastructure," said Marc Murnaghan, Chief Executive Officer of the Company. "Historically, the main issue facing the San Jacinto project was a lack of steam throughput. We have substantially addressed this issue through the outcome of drilling efforts over the past three years. The recent infrastructure investments were substantial in nature and leave us well-positioned to achieve our objective of optimizing the San Jacinto project. The connection of new production wells is expected to result in another step-change improvement in average power production, and therefore cash flow generation, going forward."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended March 31, 2018 on Wednesday, May 9, 2018 at 10:00 am EDT.
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 May 16, 2018. Please dial +1 (416) 849-0833 or +1 (855) 829-2056; Conference ID: 3795133.

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.

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	
(in thousands)	March 31, 2018	March 31, 2017
Total earnings (loss) attributable to Owners of the Company	$ 512	$ (1,167)
Add (deduct):		
Net loss attributable to non-controlling interest	7	(9)
Income tax (expense) recovery	2,045	2,159
Finance costs	4,239	4,296
Interest income	(131)	(90)
Other losses	36	132
Depreciation and amortization of plant assets	5,546	5,383
Share-based compensation	94	191
Adjusted EBITDA	$ 12,348	$ 10,895

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.