

# POLARIS

## POLARIS INFRASTRUCTURE PROVIDES DRILLING PROGRAM UPDATE

TORONTO, ON (January 30, 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 provide the following update with respect to the 2017/2018 San Jacinto drilling program.

The Company's wholly-owned operating subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), which owns and operates the San Jacinto project, has made substantial progress with drilling efforts. Highlights of drilling program execution and preliminary testing activities are as follows:

- **Successfully flow-tested new production well, SJ 12-4:** The second new production well of the 2017/2018 San Jacinto drilling program, SJ 12-4, was completed in early November 2017. A total loss of drilling fluids was experienced, indicating a zone of high permeability and the well was completed at a depth of 2,624 metres measured depth. After a period of thermal recovery, SJ 12-4 was successfully discharged on January 16, 2018, and has been flowing since that date (discharging to the atmosphere). Based on testing completed to date, we estimate initial productive capacity of SJ 12-4 is between 4 to 6 MW. It is important to note that geothermal wells take time to reach stabilization and hence initial estimates for SJ 12-4 may change. Further updates will be provided over the next several months as the well approaches stabilization and is connected to the San Jacinto plant.
- **Successfully concluded drilling and initial flow-testing of new production well, SJ 12-5:** The third new production well of the 2017/2018 San Jacinto drilling program, SJ 12-5, was completed in early January 2018. A total loss of drilling fluids was experienced, indicating a zone of high permeability and the well was completed at a depth of 2,416 metres measured depth. Tests concluded during and after drilling suggest that SJ 12-5 has higher permeability and temperature than SJ 12-4. SJ 12-5 was successfully discharged on January 25, 2018, with temperature and pressure characteristics sufficient to allow it to flow continuously. Based on testing completed to date, we estimate the 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. Further updates will be provided over the next several months as the well approaches stabilization and is connected to the San Jacinto plant.
- **Planned above-ground infrastructure investments:** Given the substantial expansion of the San Jacinto steamfield over the past 18 months, additional investment has been needed to efficiently accommodate the total mass flows (steam and hot geothermal fluids) being generated. As part of the 2017/2018 drilling program, PENSA will install an upgraded separator station on pad 12. We estimate that the existing separator station configuration on pad 12 currently has excess capacity equivalent to only 2 to 3 MW. Accordingly, the Company will only benefit to the full extent of available production resulting from SJ 12-4 and SJ 12-5 when the upgraded separator station has been commissioned, which we expect will be in May 2018.
- **Assessment of options to stimulate SJ 4-2 are ongoing:** As was previously disclosed, new production well SJ 4-2 was connected to the San Jacinto plant in late August 2017. The well has reliably been a modest producer, with average production in the range of 1.5 to 2 MW. PENSA continues to explore options to improve the productive capacity of SJ 4-2, possibly via acid stimulation. A determination will be made later in the first quarter of 2018 and further updates will be provided as appropriate.

"We are very pleased with the preliminary findings related to our two most recent geothermal wells at the San Jacinto project," said Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "Successfully flow-testing both SJ 12-4 and SJ 12-5, combined with demonstrated ability to maintain sufficient temperature and pressure, thereby allowing sustained discharge, is a significant milestone for Polaris Infrastructure. Both SJ 12-4 and SJ 12-5 serve to expand the production zone

at San Jacinto to the north and they confirm the findings of recent surface studies that economic temperature extends to the north of the existing reservoir. Although the new wells have not yet achieved stabilization, we are confident that they will result in a substantial increase in average generation.”

### **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](mailto:info@polarisinfrastructure.com)