

POLARIS

POLARIS INFRASTRUCTURE EXTENDS MEMORANDUM OF UNDERSTANDING FOR 10 MW RUN-OF-RIVER HYDRO PROJECT IN PANAMA

TORONTO, ON (January 11, 2021) – 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, announced today that it has extended the period of exclusivity to June 30, 2021 for the Memorandum of Understanding ("MOU") signed in 2020 to acquire the owner of a Panama-based 10 MW run-of-river hydro project called Chuspa (the "Project") from Navitas Holdings, Inc. of Panama.

Due to restrictions arising from Covid-19 Polaris was unable to commence the construction of the Project in 2020. We are optimistic that with this extension we can mobilize in the second quarter of this year.

While Covid-19 has pushed back the commencement of construction in Panama, Polaris is committed to continue with the strategic goal of continued growth and diversification. The recent announcement of the successful renegotiation and extension of our key contract at San Jacinto has positioned the Company to pursue its key goals:

- Additional progress on corporate development and acquisition initiatives in the renewables sector;
- Optimization of the balance sheet given the recent contract extension and the relatively low level of Net Corporate Debt;
- Advancement of Carbon Credit certification process for 8 de Agosto and El Carmen hydro facilities in Peru to ensure all operating facilities are certified to sell credits.

In addition to the contract renegotiation, and despite a challenging environment, in 2020 Polaris:

- Achieved a record level of total energy production on a consolidated basis as a result of the Peru plants becoming fully operational;
- Sustained full availability at all our plants during Covid restrictions and experienced no cases amongst our staff;
- Finished the year with a strong cash position of US\$63 million;
- Took the opportunity to augment our corporate development and project finance teams in both Toronto and Latin America;
- Enhanced our leading ESG strategies, policies and disclosures and continued our excellent Health and Safety record.

“Given such activities and accomplishments, we are positioned well to execute on the plan to grow and diversify in the short and medium term” commented Marc Murnaghan. “I also want to take this opportunity to personally thank all of our employees, financial partners, local communities and government partners for their support and commitment to Polaris in 2020 and extend best wishes for a safe and prosperous 2021.”

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

Cautionary Statements

This press 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 ability to complete the acquisition of the Project on the terms described in this press release or at all, the anticipated MW of the Project, the anticipated investments required to complete construction of the Project, the anticipated timeline required to achieve commercial operation, the ability to fund construction with cash on hand and funds generated through operations, the expected benefits from the acquisition of the Project and diversification into Panama and the availability of similar acquisition opportunities in Panama. 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 and hydro 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 and hydro power industries; 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 press release should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this press 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 press release, including such forward-looking information, is made as of the date of this press 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.