

# Etrion Announces Update on Solar Projects in Japan with 138 MW of Advanced Pipeline

January 14, 2015, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX/ OMX: ETX), a solar independent power producer, announces an update on its solar photovoltaic projects under construction and development in Japan.

## Management Comments

Marco A. Northland, Etrion’s Chief Executive Officer, commented: “I am very pleased with the significant progress our Japanese team has achieved to date in construction and development. Etrion is one of the first foreign companies to gain traction in utility-scale solar power generation in Japan. Today, we have 34 MW under construction and more than 138 MW under development in Japan. I am confident we will meet our target with Hitachi High-Tech of delivering shovel-ready or under-construction projects in Japan totaling 100 MW by 2015 and 300 MW by 2017.”

Mr. Northland continued, “Japan is a large net importer of fossil fuels, has low financing costs and attractive government incentives to reduce the country’s dependence on nuclear power. This combination of factors makes Japan one of the largest, fast-growing solar markets in the world.”

## Japanese Projects under Construction (34 MW)

As previously announced, Etrion started construction in Q4-2014 on 34 MW in Japan owned 87 percent by Etrion and 13 percent by Hitachi High-Technologies Corporation (“Hitachi High-Tech”) (TOKYO: 8036), a subsidiary of Hitachi, Ltd. The 9.3 MW Mito and the 24.7 MW Shizukuishi power plants are being built by Hitachi High-Tech and are expected to be operational in 2015 and 2016, respectively.

Mito is a 9.3 MW utility-scale solar photovoltaic (“PV”) power project including five sites under construction in the Ibaraki Prefecture of Japan. Construction began in October 2014, and the first drawdown on the non-recourse senior loan facility from Sumitomo Mitsui Trust Bank was executed in December 2014. In Q4-2014, the project company entered into two of the five planned 20-year power purchase agreements (“PPAs”) with Tokyo Electric Power Company (“TEPCO”) under which the project company will receive ¥40 per kilowatt-hour (“kWh”) produced (approximately US\$0.33 per kWh). The remaining three PPAs are expected to be signed by March 2015. Construction is proceeding on schedule with the estimated connection dates for each site expected between May and August 2015, more than five months earlier than previously announced.

Shizukuishi is a 24.7 MW utility-scale solar PV power plant under construction on one site in the Iwate Prefecture of Japan. Construction-related works began in October 2014, and the first drawdown on the non-recourse senior loan facility from Sumitomo Mitsui Trust Bank was executed in September 2014. In Q3-2014, the project company entered into a 20-year PPA with Tohoku Electric Power Co., Inc. to receive ¥40 per kWh produced (approximately US\$0.33 per kWh). Construction works are proceeding on schedule, and the project is expected to connect to the grid in July 2016, five months earlier than previously announced.

## Japanese Advanced Project Development Pipeline (138 MW)

In 2012, Etrion and Hitachi High-Tech signed an agreement to develop a pipeline of solar assets in Japan. In addition to the 34 MW already under construction, the joint development team is reviewing a large pipeline of opportunities in different stages of development and in different stages of negotiation with third parties. The four most advanced projects total 138 MW and are outlined below. Etrion expects to own 70 to 85 percent in the Japanese projects, with Hitachi High-Tech and/or local development partners owning the remainder.

Japan Greenfield Project 1 is a 24 MW solar project in southern Japan with the Feed-in-Tariff (“FIT”) and land contract secured. The project is expected to be shovel-ready by Q1-2016.

Japan Brownfield Project 1 is a 50 MW solar project in southern Japan with the FIT secured, land contract secured and grid impact studies completed. Etrion has secured exclusivity with the developer, and the project is expected to be shovel-ready by Q4-2015.

Japan Brownfield Project 2 is a 50 MW solar project in southern Japan with the FIT secured, land contract secured and grid impact studies completed. Etrion has secured exclusivity with the developer, and the project is expected to be shovel-ready by Q4-2015.

Japan Brownfield Project 3 is a 14 MW solar project in southern Japan with the FIT secured, land contract secured and grid impact studies completed. The project is expected to be shovel-ready by Q4-2015.

These projects may be replaced by other projects within the next twelve months in order to accelerate construction or improve project economics. More information about Etrion’s project pipeline is available in the updated corporate presentation available on the Company’s website at [www.etrion.com](http://www.etrion.com).

Etrion plans to finance its projects under development through the most efficient combination of cash on hand, non-recourse project loans, corporate debt and/or equity financing.

On October 16, 2014, the Ministry of Economy, Trade and Industry (“METI”) in Japan set-up a working group to address concerns issued by certain utilities regarding grid congestion as a result of the large number of applications submitted from solar developers. The subcommittee reviewed the current METI approval process and provided recommendations for the FIT scheme for future projects, as well as measures to deal with grid capacity issues and curtailment. Management believes the development projects described above should not be affected by these recent proposals, which should provide greater clarity on the grid connection process for these and future projects.

## About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 130 MW of installed solar capacity in Italy and Chile. Etrion has 34 MW of solar projects under construction in Japan and is

also actively developing greenfield solar power projects in Japan and Chile. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden under ticker symbol "ETX". Etrion's largest shareholder is the Lundin family, which owns approximately 24 percent of the Company's shares directly and through various trusts.

For additional information, please visit the Company's website at [www.etrion.com](http://www.etrion.com) or contact:

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*Note: The capacity of power plants in this release is described in approximate megawatts on a direct current ("DC") basis, also referred to as megawatt-peak ("MWp").*

*Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act. The information was submitted for publication at 08:20 Central European Time (CET) on January 14, 2015.*

Forward-Looking Information:

*This press release contains certain "forward-looking information". All statements, other than statements of historical fact, that address activities, events or developments that Etrion believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to targets for delivering shovel-ready or under-construction projects in Japan, the anticipated timing of entering into additional PPAs with TEPCO, the expected grid connection dates for the Mito and Shizukuishi projects, the anticipated timing of development of the Company's Japanese pipeline projects, the Company's anticipated ownership interests in such projects, the Company's financing plans for its projects and the anticipated effects of possible changes in the Japanese regulatory regime for solar projects). This forward-looking information reflects the current expectations or beliefs of Etrion based on information currently available to it as well as certain assumptions (including that all necessary financing and regulatory or other approvals will be obtained as and when required and that current and future solar projects will be developed and operated in a manner consistent with the expectations of the Company). Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause actual results to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Etrion. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the failure to obtain necessary financing or approvals to complete construction of the solar projects or to operate them as expected, unexpected delays in starting or completing the construction of the solar projects and resulting delays in the start of operations, the inability of the relevant project companies to enter into PPAs, the inability of the Company to identify and/or acquire additional renewable energy projects on economic terms and possible reductions in Japan's target for solar power generation.*

*Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Etrion disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although Etrion believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty thereof.*