

## PRESS RELEASE

**Etrion Announces Update on Solar Projects in Japan**

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February 3, 2014, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX / OMX: ETX), a solar independent power producer, announces an update for its solar project development in Japan as part of the recently announced strategic partnership with Hitachi High-Technologies Corporation (“HHT”) (TOKYO: 8036), a subsidiary of Hitachi, Ltd.

**Management Comments**

Marco A. Northland, Etrion’s Chief Executive Officer, commented: “We have secured the Feed-in Tariff and have recently executed land agreements for our first two solar projects in Japan, Shizukuishi and Mito, with a combined total capacity of 34 MW. We have also entered into a cooperation agreement with the city of Shizukuishi to advance the development of our project there. Hitachi High-Tech and Etrion are working together to reach financial closing and start construction on both of these solar parks later this year. We continue to target a solar project pipeline in Japan of at least 100 MW under construction or shovel-ready by 2015.”

**Mito (9.3 MW)**

Etrion has entered into a development agreement with HHT to build, own and operate a solar park, Mito, with a total capacity of 9.3 MW in the Mito region in central Japan. The electricity will be sold through a local energy utility and injected into the Japanese electricity network under the fixed-price JPY-denominated Feed-in Tariff (FiT), already secured for 20 years, equivalent to JPY 40 per kWh (USD 0.39 per kWh). Once operational, Mito is expected to produce approximately 10 million kWh of solar electricity per year. Construction of the Mito solar park is expected to commence in the second quarter of 2014, subject to Etrion and HHT closing the necessary debt financing and completing the permitting process. The solar project is expected to be operational in the first half of 2015.

The total project cost, including costs related to the licenses, permits, development and construction, is estimated to be USD 30 million, which is expected to be financed mostly by long-term, non-recourse project debt in local currency from a Japanese financial institution on competitive terms. The remaining equity portion is expected to be funded 85 percent by Etrion and 15 percent by HHT, according to their respective ownership interests.

**Shizukuishi (24.7 MW)**

Etrion has also entered into a development agreement with HHT to build, own and operate a second solar park, Shizukuishi, with a total capacity of 24.7 MW in the Iwate region in northern Japan. In addition, Etrion has entered into a cooperation agreement with the city of Shizukuishi to assist the Company with the permitting process. The electricity will be sold through a local energy utility and injected into the Japanese electricity network under the fixed-price JPY-denominated FiT, already secured for 20 years, equivalent to JPY 40 per kWh (USD 0.39 per kWh). Once operational, Shizukuishi is expected to produce approximately 24 million kWh of solar electricity per year. Construction of the Shizukuishi solar park is expected to commence in the second half of 2014, subject to Etrion and HHT closing the necessary debt financing and completing the permitting process. The solar project is expected to be operational in the fourth quarter of 2015.

The total project cost, including costs related to the licenses, permits, development and construction, is estimated to be approximately USD 75 million, which is expected to be financed mostly by long-term, non-recourse project debt in local currency from a Japanese financial institution on competitive terms. The remaining equity portion is expected to be funded 85 percent by Etrion and 15 percent by HHT, according to their respective ownership interests.

## **About Etrion**

Etrion Corporation is an independent power producer (IPP) that builds, owns and operates utility-scale solar power generation plants. Etrion owns 17 solar power plants in Italy with approximately 60 MW of installed capacity. The Italian operations generate more than USD 40 million of annual earnings before interest, taxes, depreciation and amortization (EBITDA). Etrion is also developing greenfield solar power projects in Chile and Japan. 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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*Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act. The information was submitted for publication at 08:05 CET on February 3, 2014.*

*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). A megawatt-peak = 1 million peak watts. A peak watt, the unit used to rate the performance of photovoltaic collectors, will deliver 1 watt of electricity under standard conditions of 1,000 watts of light intensity per square meter and an ambient temperature of 25°C.*

*This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the timing of the development of the Shizukuishi and Mito solar projects, the anticipated construction costs thereof and the amount of electricity expected to be generated therefrom) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, without limitation, assumptions with respect to project costs and the ability of the Company to obtain required permits in a timely fashion and project financing on economic terms. Reliance should not be placed on forward-looking information. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company 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 the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the risk of project cost overruns, uncertainties with respect to the receipt or timing of all applicable permits for the development of the Shizukuishi and Mito projects and the risk that the Company may not be able to obtain project financing on economic terms.*

*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, the Company 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 the Company 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 therein.*