

## PRESS RELEASE

### **Etrion Releases Second Quarter 2010 Interim Financial Statements**

August 16, 2010, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX), an independent solar power producer, today released its interim consolidated financial statements and related management discussion and analysis (“MD&A”) for the three and six months ended June 30, 2010 and 2009.

#### **Second Quarter 2010 Highlights**

- Closing the acquisition of a portfolio of solar assets in Italy from Deutsche Bank, including 6.4 megawatts (“MW”) operational, more than 10 MW permitted for construction in the Puglia region and a development pipeline of more than 150 MW in various stages of permitting.
- Recognizing the Company’s first solar revenues beginning June 24, 2010, from the operational solar parks in the Deutsche Bank portfolio.
- Concluding the permitting process for the 3.5 MW solar park to be built in Borgo Piave, Lazio, Italy (and subsequently contracting Phoenix Solar to begin construction).
- Concluding the permitting process for the 1.6 MW solar park to be built in Rio Martino, Lazio, Italy.
- Signing a term sheet (and subsequently definitive agreements) for the acquisition of the 33 MW Montalto solar park, the largest in Italy, from SunPower Corp.
- Securing a EUR 60 million bridge loan from Etrion’s major shareholder, Lundin Petroleum.
- Nearing completion on 3 out of 4 MW from the SVE project under construction by SunPower in Puglia, Italy.
- Closing the legacy oil and gas office and reducing the related general and administrative expenses.
- Early adopting International Financial Reporting Standards (“IFRS”).

#### **Management Comments**

Marco Northland, the Company’s CEO, commented, “Etrion made significant progress in the second quarter, and we are on track to become one of the largest solar power producers in Italy. In less than one year, we have gone from a private start-up development company with a few employees and no revenues to a publicly-traded independent solar power producer with more than 20 employees, almost 40 installed megawatts and our first solar revenues in the second quarter, with substantial revenue and cash flow run-rates ahead of us. We plan to continue executing on our large development pipeline in Italy as we assess new markets for future growth.”

## **Second Quarter 2010 Results**

For the three months ended June 30, 2010, the Company reported a net loss of US\$4.2 million (loss per share of US\$0.03) compared to a net loss of US\$1.6 million (loss per share of US\$0.01) for the three months ended June 30, 2009. For the six months ended June 30, 2010, the Company reported a net loss of US\$7.7 million (loss per share of US\$0.05) compared to a net loss of US\$3.2 million (loss per share of US\$0.02) for the six months ended June 30, 2009. The first and second quarter 2010 results are not comparable to the prior year due to the addition of the renewable energy segment. The Company's MD&A contains a detailed analysis of the periods discussed.

## **Early Adoption of IFRS**

The Company also announces that its application to early adopt IFRS under National Instrument 52-107 has been approved by the applicable Canadian Securities Administrators (the "CSA"). The Company has chosen to early adopt IFRS and has commenced reporting under these standards for the period beginning January 1, 2010. Comparative periods for fiscal 2009 will also be restated under IFRS.

As background, in February 2008, the Canadian Accounting Standards Board confirmed that IFRS will replace Canadian generally accepted accounting principles ("GAAP") for all publicly accountable enterprises for financial periods beginning on and after January 1, 2011, with the option available for enterprises to early adopt upon receipt of approval from the CSA.

The Company's first financial statements completed under IFRS are the interim financial statements for the three and six months ending June 30, 2010, which include notes disclosing extensive transitional information and full disclosure of all new IFRS policies. In accordance with the requirements of the ruling issued by the CSA to permit its early adoption of IFRS, the Company has concurrently filed on SEDAR amended and restated financial statements and MD&A for the three months ended March 31, 2010, prepared in accordance with IFRS.

## **About the Company**

Etrion Corporation is focused on building, owning and operating electrical power plants based on renewable sources of energy, including solar photovoltaic. The Company is listed on the Toronto Stock Exchange (ticker symbol "ETX") and is based in Geneva, Switzerland with an office in Rome, Italy. Etrion is owned 45% by Lundin Petroleum, a Swedish independent oil and gas company traded on the NASDAQ OMX Stockholm exchange (ticker symbol "LUPE"), and approximately 13% by the Lundin family through various trusts.

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

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*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 the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to anticipated revenues and cash flows) 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. 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, uncertainties with respect to the receipt or timing of required permits to obtain and construct certain of the Company's renewable energy projects and to begin selling electricity therefrom and the possibility of project cost overruns or unanticipated costs and expenses or delays in construction.*

*Any forward-looking information speaks only as of the date on which it is given 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 statements are not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.*