



etrion

Investor Conference Call Presentation

September 26, 2013

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ETRION CORPORATION

Company Overview

- Etrion is an independent power producer (IPP) that owns and operates 60 megawatts (MW) of ground-based solar photovoltaic (PV) power plants. The Company has shovel-ready projects that will double installed capacity within 18 months
- Etrion generated over 100 million kilowatt-hours (kWh) of electricity in 2012 with more than US\$40 million of EBITDA
- The Company's strategy is focused on:
 - **Geographic Diversity** - Entering new regions with high electricity prices, large energy demand and abundant renewable resources or strong mandates to diversify energy mix with attractive government incentives
 - **Contract Regime Diversity** - Complementing Feed-in-Tariffs (FiT) revenues with revenues derived from long-term power purchase agreements (PPAs) or at merchant
 - **Yield** - Preparing platform for dividends to shareholders
 - **Growth** - Building a large pipeline of renewable energy development projects through key partnerships

Note:

(1) Pro forma for the share issuance related to the Project Salvador letter of credit fee

(2) ETX share price of CAD\$0.29 / SEK 1.91 at closing on September 25, 2013

(3) Net debt as at June 30, 2013, including US\$25.3 million of cash (of which US\$18.9 million is held at the project level)

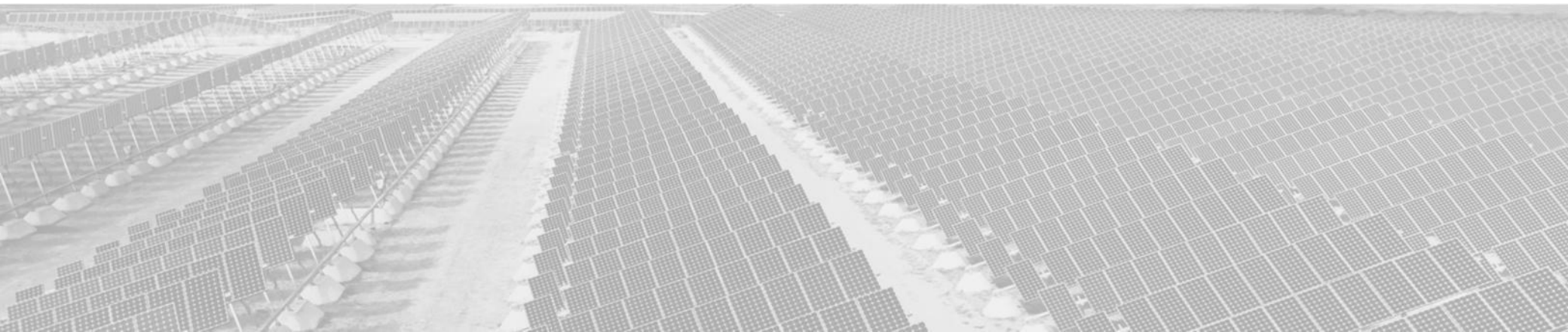
Corporate Information

- Stock exchange listings: Toronto Stock Exchange in Canada (primary) and NASDAQ OMX Stockholm exchange in Sweden (secondary). Ticker symbol: ETX
- Shares outstanding⁽¹⁾: 208.2 million
- Market capitalization⁽²⁾: approximately US\$60 million
- Net debt⁽³⁾: US\$355 million (including US\$312 million of non-recourse project debt)
- Enterprise value: approximately US\$415 million
- Major shareholders: Lundin family 25.4%⁽¹⁾, other directors and management (10.7%)
- Corporate bond listing (€60 million): Oslo Alternative Bond Market



OPERATING ASSETS: ITALY

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ITALIAN OPERATING ASSETS



Project ⁽¹⁾	MW ⁽²⁾	Revenue ⁽³⁾ US\$'million	EBITDA ⁽³⁾ US\$'million
Cassiopea (Montalto, Lazio)	23.9	24.0	21.0
Helios ITA-3 (Brindisi/Mesagne, Puglia)	10.0	7.3	6.4
Centauro (Montalto, Lazio)	8.7	8.1	7.0
Helios ITA (Mesagne/Brindisi, Puglia)	6.4	6.1	5.1
Etrion Lazio (Borgo Piave/Rio Martino, Lazio)	5.2	4.3	3.7
SVE (Matino/Ruffano/Oria, Puglia)	3.0	3.0	2.5
Sagittario (Nettuno, Lazio)	2.6	1.6	1.2
Total Operational	59.8	54.4	47.0

- Produced more than 100 million kWh of electricity in 2012
- Proven track record of operational excellence (17 power plants consistently performing above plan and exceeding project finance covenant obligations)
- Asset management organizational structure to streamline operations, improve efficiencies and increase production
- Central monitoring system providing real-time visibility into plant performance (a scalable platform for growth)

Notes:

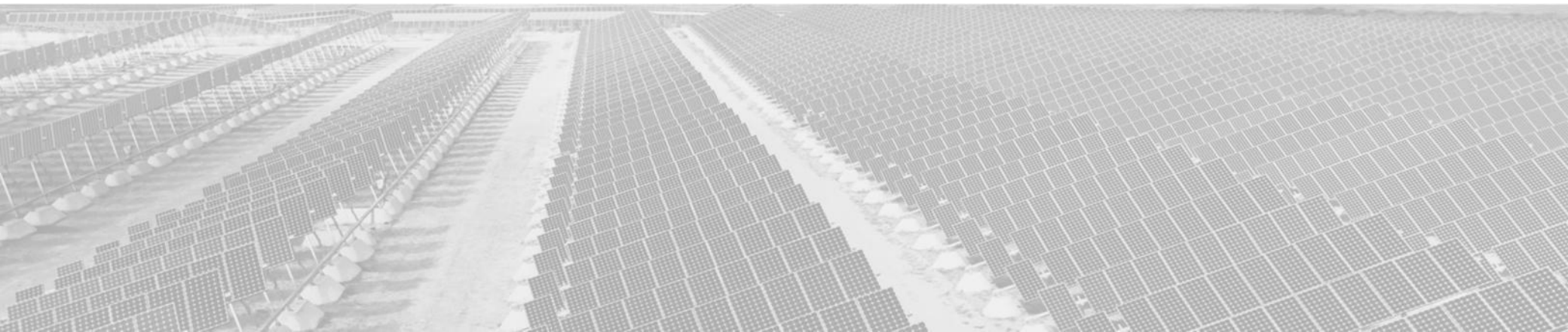
(1) All projects are owned 100% by Etrion

(2) Power plant capacity is shown in MW on a direct current basis, also referred to as megawatt-peak (MWp)

(3) Revenues and Earnings before interest, taxes, depreciation and amortization (EBITDA) are based on 2013 expected results generated in Euros and translated at EUR/US\$ = 1.3

EXPANSION PLANS: CHILE

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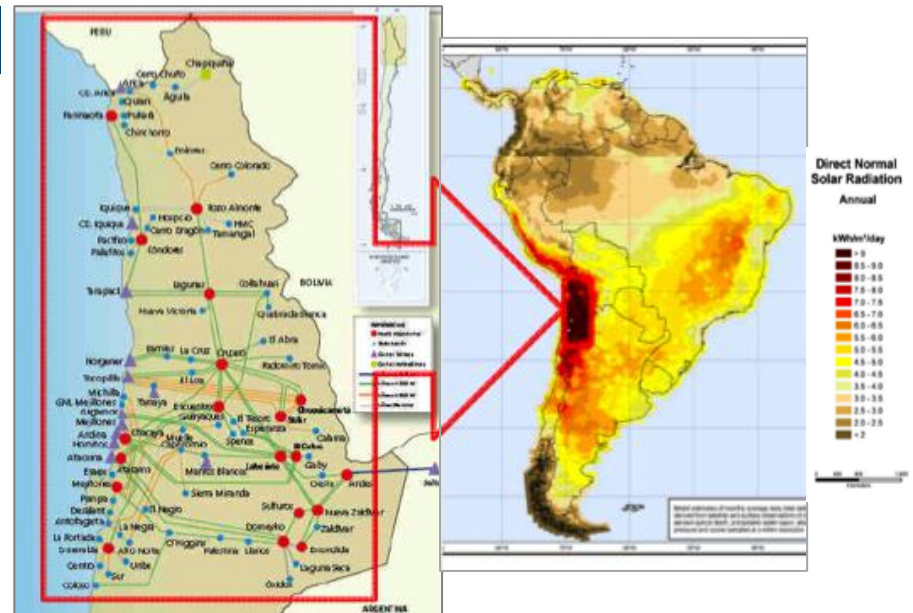
CHILEAN SOLAR MARKET

Overview

- Northern Chile has among the highest solar irradiation in the world (25% above Nevada, USA / 50% above Spain)
- Module prices at an all-time low, with continued drop in price due to technology improvements and scale
- Mining growth in Chile to reach US\$100 billion of investment by 2020 with very limited sources of energy to meet demand
- Investment grade country with AA- rating (per S&P)
- De-regulated market whereby electricity generators can enter into bilateral agreements denominated in US dollars directly with industrial clients
- In September 2013, the Chilean government passed the 20/25 law, requiring 20% of electricity to be generated from renewable sources by 2025 (an increase from the previous “clean energy” law requiring 10% of electricity to be generated from renewable sources by 2024)

Market Validation

- Key drivers for success:
 - ✓ Solar has reached levelized cost of energy (LCOE), meaning it can compete with other sources of energy
 - ✓ Abundant renewable resources (i.e., attractive solar irradiation)
 - ✓ High wholesale electricity prices
 - ✓ Low equipment prices
 - ✓ Available long-term, low-cost financing
 - ✓ Increasing energy demand
- **Consistent with Etrion’s business model and proven track record of success**



AGUAS BLANCAS (8.8 MW)

Overview

- **Project:** 8.8 MW solar PV power plant located in the SING network in the north of Chile (Antofagasta), comprised of one site, located approximately 3 km from the mine to be connected directly into the mine's substation
- **Developer / sponsor:** Aguas Blancas was developed by Etrion
- **PPA off-taker:** Electricity will be sold to the Aguas Blancas mine, an iodine mine owned by Atacama Minerals Chile S.C.M (a wholly-owned subsidiary of Sirocco Mining)
- **Senior debt / VAT facility:** up to 80% of total project cost will be financed through non-recourse project debt (denominated in US dollars). The Inter-American Investment Corporation (IIC) has been pre-selected with expected terms of 19.0-year tenor with average all-in interest rate of 5.8%. IIC board approval is expected in November 2013
- **EPC:** EPC and O&M contractor has been pre-selected as well as module supplier

Indicative Sources and Uses of Funds (US\$ million)

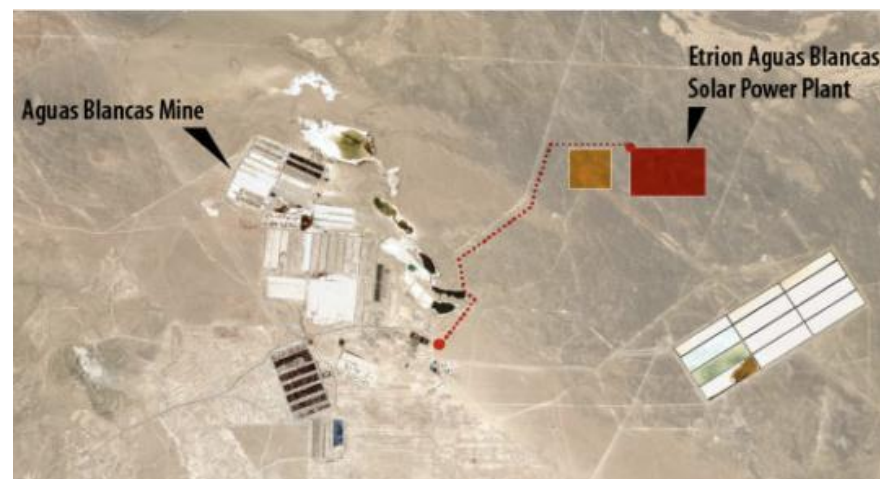
Uses of Cash:		Sources of Cash:	
Total project cost	22.4	Equity (24%):	5.4 ⁽¹⁾
		Senior debt (76%):	17.0
TOTAL USES	22.4	TOTAL SOURCES	22.4

Notes:

- (1) Etrion expects to refinance US\$1.7 million of costs relating to the development of the project. Therefore, the total cash outlay for Aguas Blancas is expected to be US\$3.7 million
- (2) Project economics are projected based on timing of construction and successful debt financing in Q4-2013
- (3) Revenue, EBITDA and free cash flow presented here represent the amounts expected for the first full year of operation

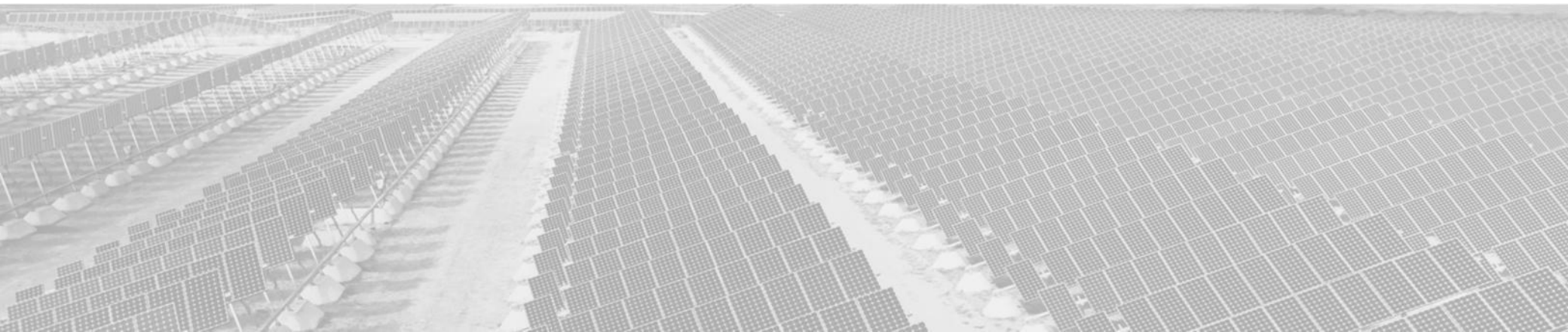
Indicative Project Economics⁽²⁾

Capacity	8.8 MW
Irradiation Yield	2,685 kwh/kwp
Revenue Stream	PPA (paid in US\$): US\$114/MWh, CPI adjusted Term: 15-year take-or-pay
Annual Production (2015)	23.5 GWh/year
Land	Concession with the government
Revenue (2015) ⁽³⁾	US\$2.8 million
EBITDA (2015) ⁽³⁾	US\$2.0 million
Free cash flow (2015) ⁽³⁾	US\$0.5 million



TODAY'S ANNOUNCEMENT

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PROJECT SALVADOR (70 MW) – TOTAL/ETRION PARTNERSHIP

Overview

- **Project:** 70 MW solar PV power plant located in the SIC in central Chile, comprised of one site
- **Sponsors:** Etrion (70%) and Total (20%) acting as main sponsors. Developer, Solventus, remains with 10% in the project
- **Senior debt / VAT facility:** 70% of total project cost is expected to be financed through non-recourse project debt with the Overseas Private Investment Corporation, expected terms of 19.5-year tenor and 3.4% margin with 7.15% all-in interest rate. OPIC's board approval is expected in September 2013



Indicative Sources and Uses of Funds (US\$ million)			
Uses of Cash:		Sources of Cash:	
Total Project Cost	198.3	Equity (30%):	59.5 ⁽¹⁾
		Senior Debt (70%)	138.8
TOTAL USES	198.3	TOTAL SOURCES	198.3

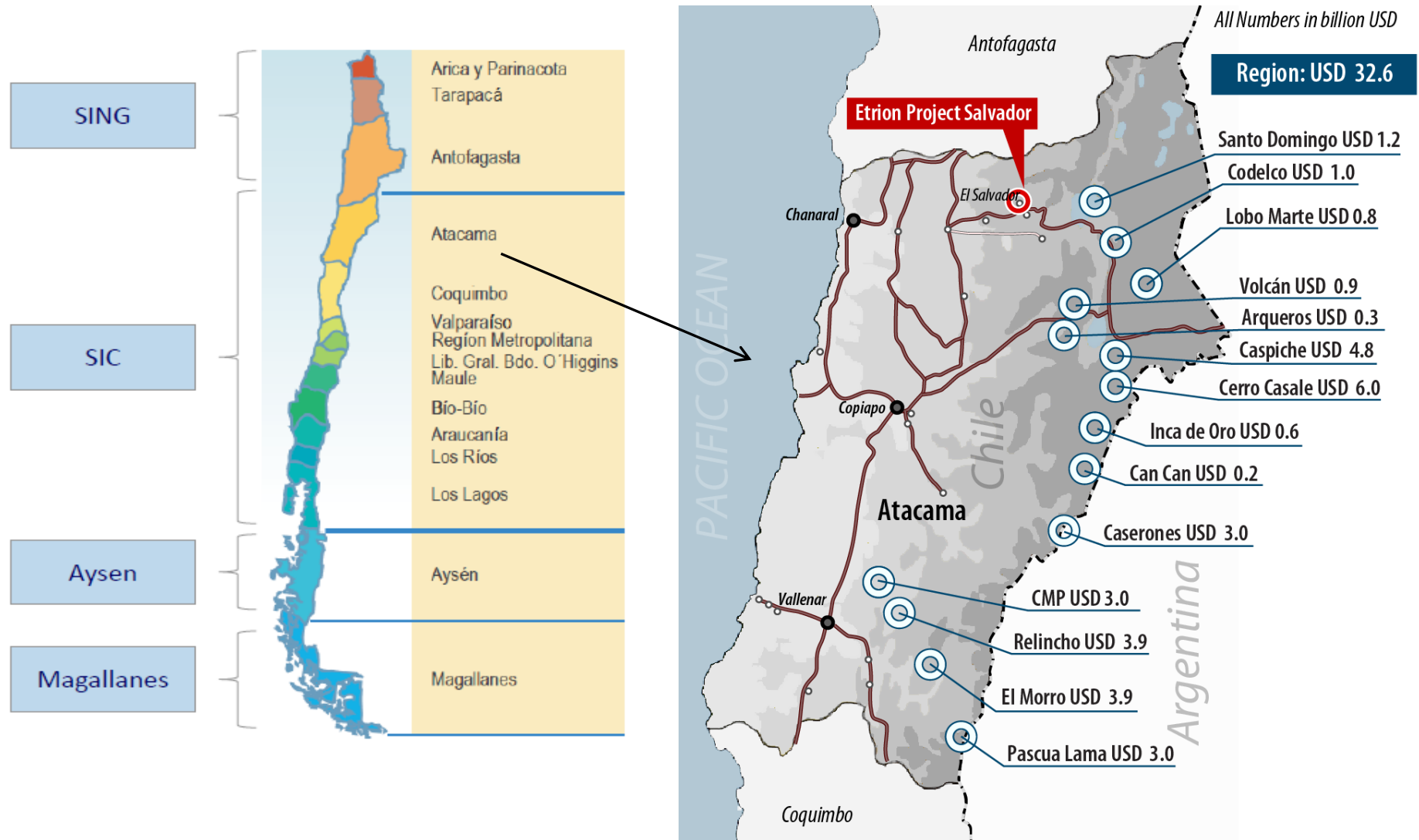
Indicative Project Economics ⁽²⁾	
Capacity	70 MW (49 MW net)
Irradiation Yield	2,930 kwh/kwp
Revenue Stream	Merchant project in the SIC (operating at spot with ability to secure future PPAs)
Production (2015)	200 GWh/year
Land	Concession with the government
Start of Construction ⁽²⁾	Q4-2013
Net Revenue (2015) ⁽³⁾	US\$26.9 million
Net EBITDA (2015) ⁽³⁾	US\$23 million
Net Free Cash Flow (2015) ⁽³⁾	US\$11.8 million



Notes:

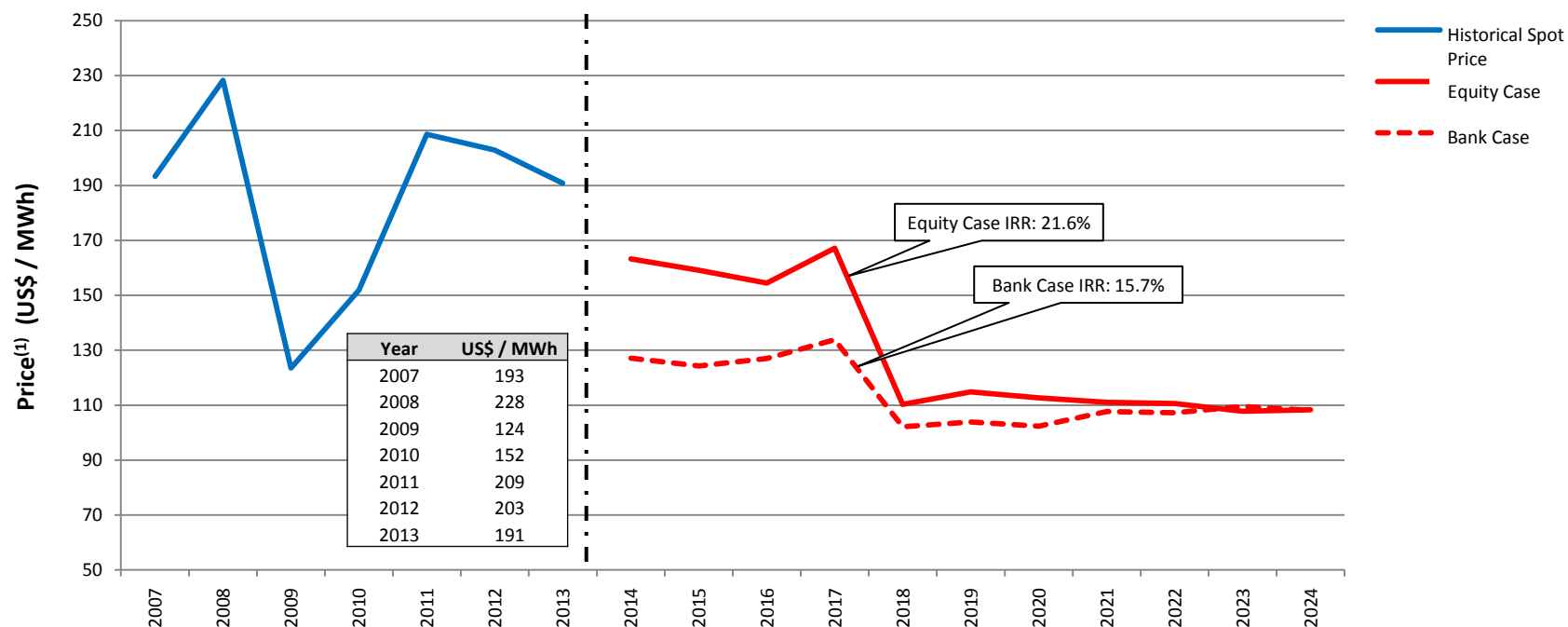
- (1) Etrion will acquire a 70% interest in the project, resulting in an equity contribution of approximately US\$42 million. Following payback of the original equity contribution (US\$42 million), Etrion's ownership will decrease to 50.01% (expected in September 2018)
- (2) Construction is expected to start by December 2013, and the solar project is expected to be operational in the first quarter of 2015
- (3) Revenue, EBITDA and free cash flow presented here represent the amounts expected for the first full year of operation attributable to Etrion for its 70% interest in the project, assuming an equity IRR of 21.6%

CHILE'S ELECTRICITY NETWORK AND ANTICIPATED MINING INVESTMENT



Source: Sociedad Nacional de Minería de Chile (SONAMI)

PROJECT SALVADOR – SPOT MARKET PRICE SENSITIVITY



SCENARIO	ETRION'S IRR	ETRION'S INITIAL EQUITY PAYBACK	AVERAGE ANNUAL CASH FLOW	GDP GROWTH RATE	COAL (NUEVA VENTANAS)	OIL ⁽²⁾	LNG ⁽³⁾ (QUINTERO)
EQUITY CASE	21.6%	Sep-18	US\$12.5m	2013-2023: 4.5% 2024-2025: 3.5% 2026-2032: 2.5%	US\$110 / ton	US\$100 / bbl	US\$13.7 / MMBtu
BANK CASE	15.7%	Mar-21	US\$8.4 million		2014-2019: US\$110 / ton 2019-2034 : US\$104 / ton	2014-2018: US\$92 / bbl 2019-2034: US\$80 / bbl	US\$13.0 / MMBtu

Notes:

(1) Price forecasts shown here are in constant 2012 US\$ relating to the SIC electricity network

(2) Price of oil is per barrel (bbl) based on: Brent crude price forecast for Equity Case and West Texas Intermediate (WTI) Crude price forecast for Bank Case

(3) Price of Liquefied Natural Gas (LNG) is per million British thermal units (MMBtu)

SOLAR PIPELINE IN CHILE

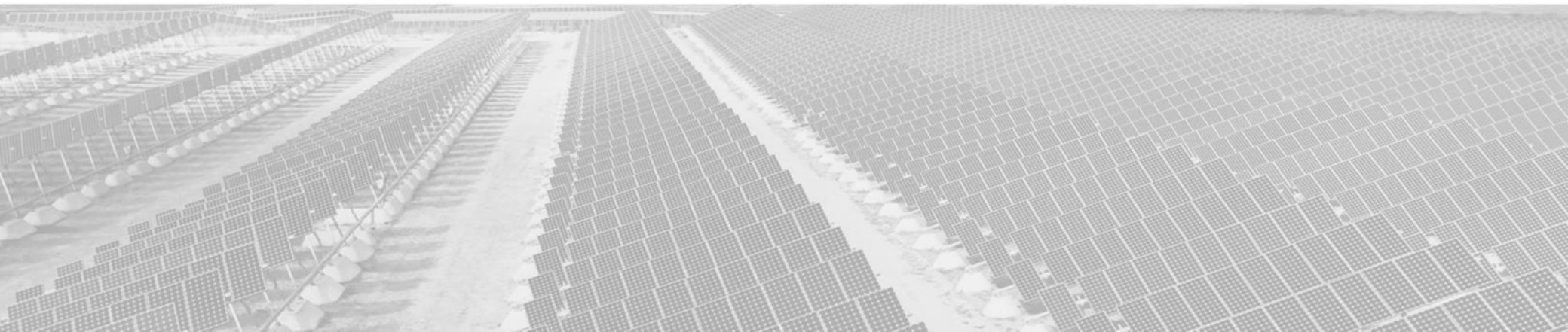
#	COUNTRY	REGION	PROJECT NAME	CONTRACT REGIME	PROJECTS	MW	STATUS	PROBABILITY	OWNERSHIP	CONSTRUCTION DATE ⁽¹⁾
1	Chile	SING (North)	Aguas Blancas	PPA (Atacama Minerals)	1	8.8	<ul style="list-style-type: none"> - PPA signed with Atacama Minerals S.C.M., a wholly-owned subsidiary of Sirocco Mining - Project lender pre-selected (IIC) and financial close is expected by December 2013 - EPC and O&M contractor pre-selected, and construction is expected to start in Q4-2013 	P75	100%	Q4-2013
2	Chile	SIC (Central)	Project Salvador	Merchant	1	70	<ul style="list-style-type: none"> - Etrion to acquire 70%, acting as owner and operator - Board Approval by project lender (OPIC) received September 19, 2013; financial close expected in Q4-2013 - SunPower has been selected EPC and O&M contractor and construction is expected to start in Q4-2013 	P90	70%	Q4-2013
3	Chile	SING (North)	Aguas Blancas 2	Merchant + PPA	4	72	<ul style="list-style-type: none"> - Application for land filed in April 2013 - Following confirmation of land, environmental studies will be prepared and filed 	P10	100%	Q1-2015
4	Chile	SIC (Central)	Las Luces	Merchant + PPA	1	22	<ul style="list-style-type: none"> - Application for land filed in April 2013 - Following confirmation of land, environmental studies will be prepared and filed 	P10	100%	Q1-2015
TOTAL					7	172.8				

Note:

(1) Construction dates may vary depending on development process; dates shown here are Management's best estimate

CONCLUSION

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CONCLUSION – ETRION WELL POSITIONED FOR GROWTH

- **Transformation** of the business to a sustainable growth platform
- Credible plan to achieve **diversification**
 - Geography – Italy and Chile
 - Contract regime – FiT, long-term PPAs and spot market
- Clear path to becoming **cash flow positive** and **distributing dividends**
- Business model evolving to **non-subsidy environment** resulting in sustainable long-term growth
- **Strong management** and **scalable platform** with proven track record of success



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