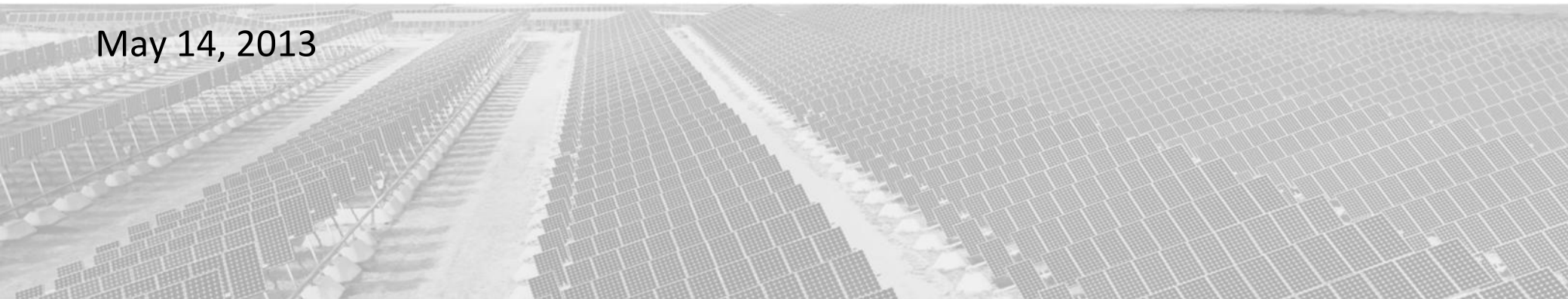




etrion

First Quarter 2013 Earnings Call

May 14, 2013



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Operational Update



Company Overview

Overview

- Etrion is an independent power producer (IPP) that owns and operates renewable assets with 60 MWp of operating ground-based solar photovoltaic (PV) power plants
- Strategic direction and future growth focused on:
 - Entering new geographical regions (with high electricity prices, large energy demand and abundant renewable resources or strong mandates to diversify energy mix with attractive government incentives)
 - Complementing FiT revenues with revenues derived from long-term PPAs or merchant
 - Developing vertical market to serve large industrial clients
 - Preparing platform for dividend distributions

Corporate Information

- Stock exchange listings: Toronto Stock Exchange in Canada and NASDAQ OMX Stockholm exchange in Sweden (ticker symbol, "ETX")
- Shares outstanding: 205.7 million
- Market capitalization: US\$52 million
Net debt: US\$348 million
Enterprise value: US\$400 million
- Major shareholder: Lundin family (24.5%)
- Corporate bond listing (€60 million): Oslo Alternative Bond Market



Current Platform - Italy



(Currency: US\$ million)

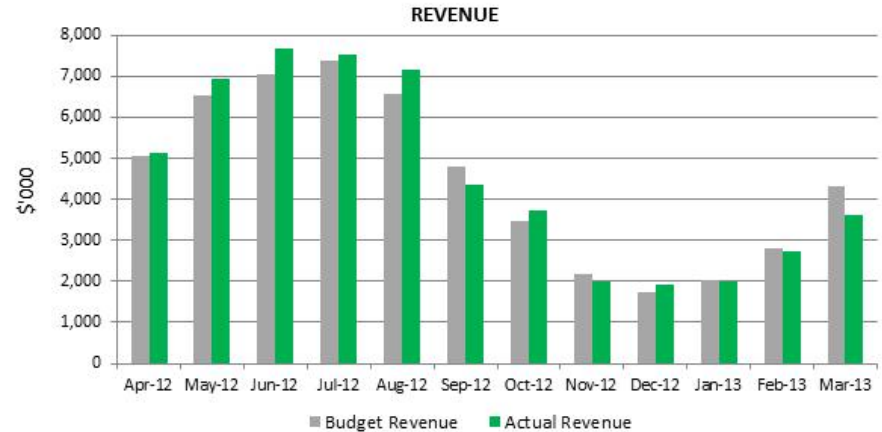
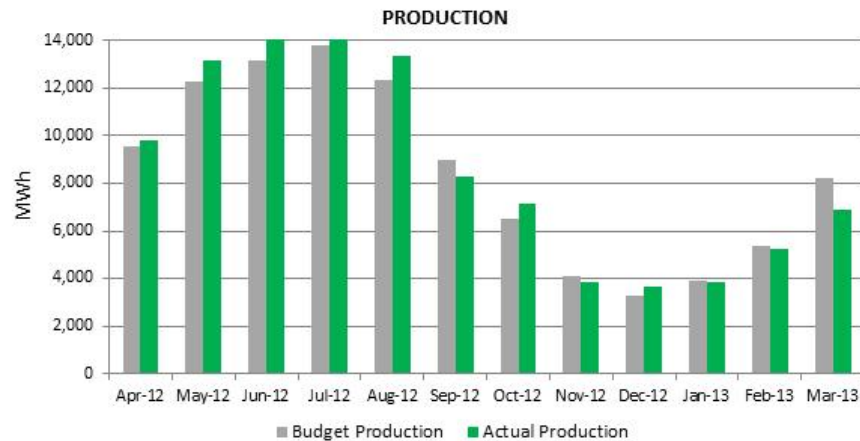
Project	MWp	Revenue	EBITDA
Cassiopea (Montalto, Lazio)	23.9	24.2	21.6
Centauro (Montalto, Lazio)	8.7	8.3	7.7
Helios ITA (Mesagne/Brindisi, Puglia)	6.4	6.3	5.4
SVE (Oria/Matino/Ruffano, Puglia)	3.0	2.9	2.5
Borgo Piave, Lazio	3.5	2.6	2.4
Rio Martino, Lazio	1.7	1.3	1.2
Helios ITA-3 (Brindisi, Puglia)	5.0	3.6	3.2
Helios ITA-3 (Mesagne, Puglia)	5.0	3.6	3.2
Sagittario (Nettuno, Lazio)	2.6	1.6	1.3
Total Operational	59.8	54.4	48.5

Notes:

1. All projects owned 100% by Etrion.
2. EBITDA = earnings before interest, taxes, depreciation and amortization (excluding internal management fees of approximately €1.1 million (US\$1.4 million) per year).
3. Revenues and EBITDA are annual estimates (based on expected results) generated in Euros translated at EUR/US\$ = 1.3
4. Power plant capacity is referred to as megawatt-peak (MWp) on a direct current (DC) basis.

Operating Performance

Revenue and Production



- The Group has substantial revenues and cash flows from operations and its current platform continues to perform above plan, producing more than 2% more electricity and revenues than budgeted over the last twelve months
- Proven track record of operational excellence (performing above plan and consistently meeting covenant obligations)
- Asset management organizational structure to streamline operations, improve efficiencies and increase production
- Central monitoring system providing real-time visibility into plant's performance

Note
 1. Production fluctuation month to month is due primarily to solar irradiation seasonality. However, on an annual basis, solar irradiation in Italy varies less than 10%.

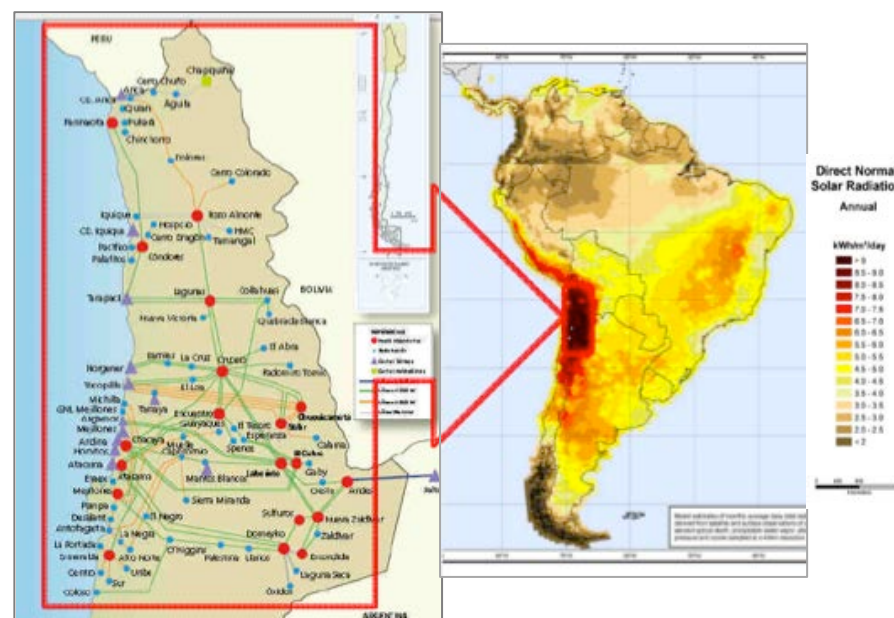
Growth Plan – Chile

Overview

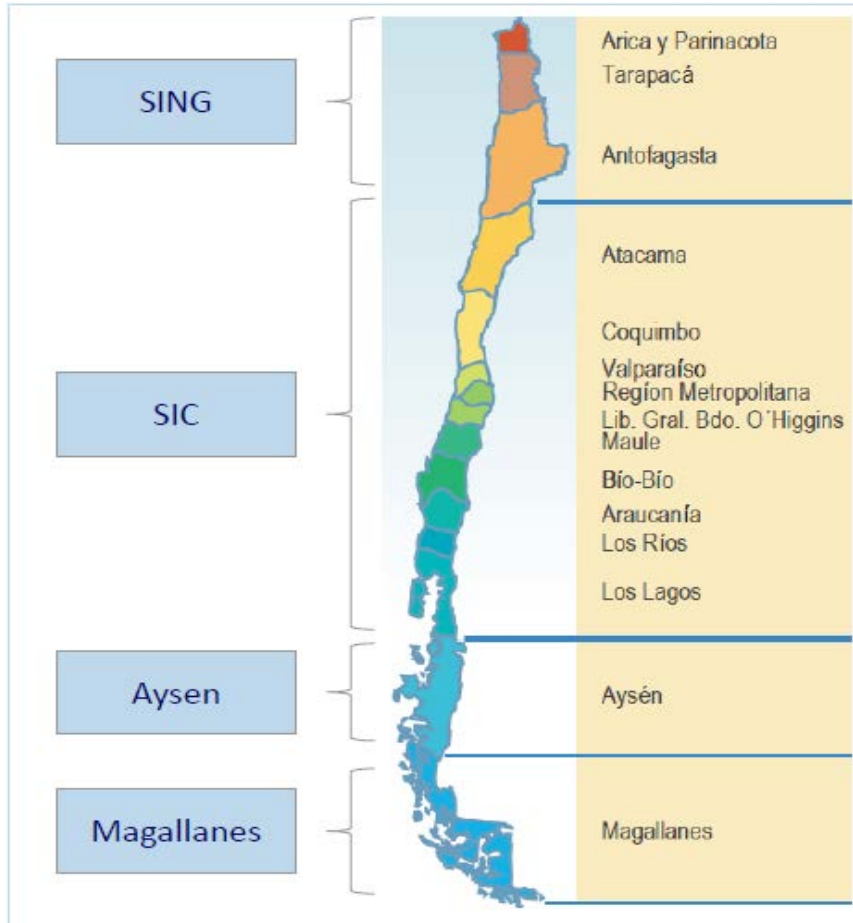
- North Chile among highest solar radiation in the world (25% above Nevada / 50% above Spain)
- Module prices at all time low, with continued drop in price due to technology improvements and scale
- Mining growth in Chile to double by 2020 with very limited sources of energy to meet demand
- Investment grade country with A+ rating
- De-regulated market whereby electricity generators can enter into bilateral agreements directly with industrial clients denominated in US dollars
- Chilean government has instituted a “clean energy” mandate requiring 10% of electricity to be generated from renewable sources by 2024, demonstrating strong support for renewable energy sources

Market Validation

- Key drivers for success:
 1. Stable revenues
 2. Abundant renewable resources (i.e., attractive solar irradiation)
 3. High wholesale electricity prices
 4. Low equipment prices
 5. Available long-term low cost financing
 6. Increasing energy demand
- **Consistent with Etrion's business model and proven track record of success**



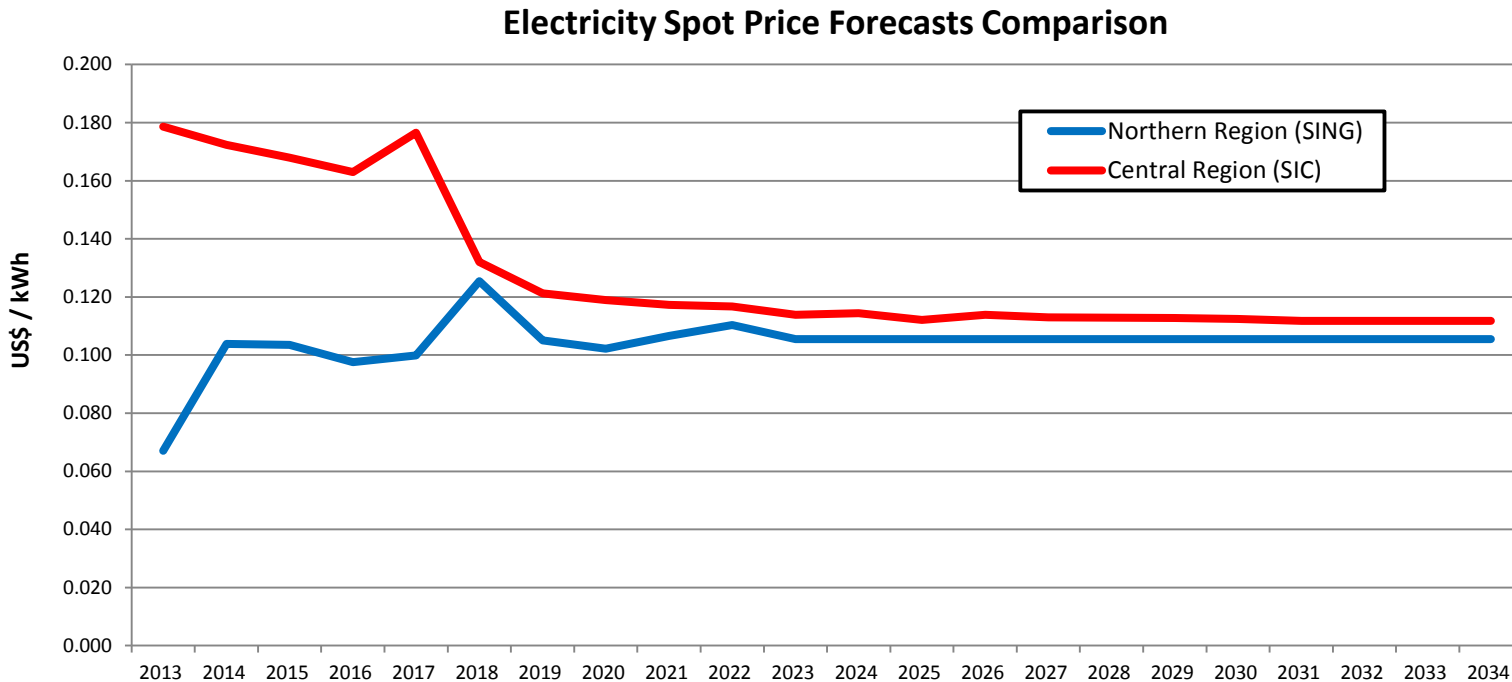
Chile's Electricity Network



Chile's electricity system is comprised of four unconnected networks:

- **SING:** The Northern Interconnected System (Sistema Interconectado Norte Grande), which accounts for approximately 25% of the country's installed capacity, covers the northern regions of Arica y Parinacota, Tarapacá and Antofagasta and is primarily serviced by thermal electric. Main consumers are large industrial players (predominately in the mining sector), with 90% being to non-regulated consumers.
- **SIC:** Central Interconnected System (Sistema Interconectado Central), which accounts for approximately 74% of the country's installed capacity, covers the major population centers surrounding Santiago and is primarily serviced by hydro (with 65% to regulated consumers).
- **Aysen** and **Magallanes:** which account for approximately 0.2% and 0.4%, respectively of the country's installed capacity, serving small isolated areas in the south.
- The systems are mostly autonomous, as long distances between the four make integration difficult.
- It is expected that the SING and SIC will be connected in 2018, significantly impacting the spot price in the SIC from that point forward.

Long-Term Price Forecasts (SING and SIC)



- Independent energy consultants provide long-term electricity price forecasts for each region based on numerous assumptions, including: the price of fuel, future electricity demand, additional production capacity and the marginal cost of electricity, excluding the effects of inflation
- SING: the electricity price is determined by stable demand with the highest marginal cost being thermal electric
- SIC: the electricity price is seasonal (due to high reliance on hydro)

Greenfield Development

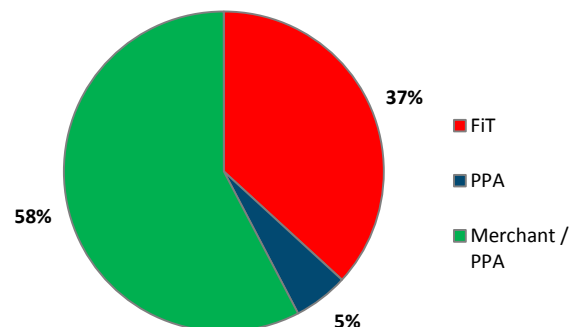
#	COUNTRY	REGION	PROJECT NAME	CONTRACT REGIME	PROJECTS	MW	STATUS	PROBABILITY	OWNERSHIP	CONSTRUCTION DATE ⁽¹⁾
1	Chile	SING (North)	Aguas Blancas	PPA (Sirocco Mining)	1	8.8	<ul style="list-style-type: none"> - PPA under negotiation (expected to be signed in May 2013) - Discussions with project lenders has commenced / with indicative terms expected in June 2013 - Environmental studies (DIA/ EIA) expected in Q2-2013 	P50	100%	Q4/2013
2	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
3	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					6	102.8				

Note:

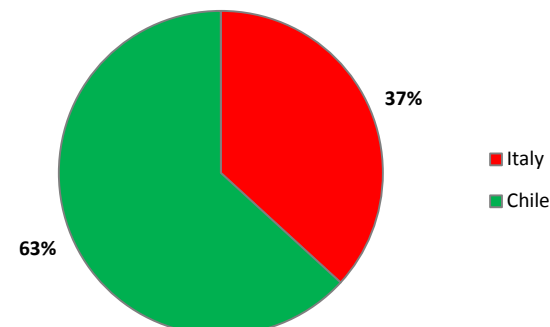
(1) Construction dates may vary depending on development process, dates shown here are Management's best estimate

MEDIUM-TERM FORECAST

CONTRACT REGIME MIX



COUNTRY MIX



Aguas Blancas (8.8 MWp Solar Project)

Overview

- **Project:** 8.8 MWp PV solar power plant located in the north of Chile within the province of Antofagasta. The Aguas Blancas project, comprised of one site, located approximately 3 kms from the mine and will be connected directly to the mine's substation (minimizing transmission losses and eliminating toll fees)
- **Developer/sponsor:** Aguas Blancas was developed by Etrion, who will act as sole sponsor, owning and operating the project for its remaining life. The project will be owned by Etrion Chile SPA, a wholly-owned subsidiary of Etrion
- **Total project cost:** \$19 million
- **PPA off-taker:** Electricity will be sold to the Aguas Blancas mine, an iodine mine owned by Atacama Minerals, a wholly-owned subsidiary of Sirocco Mining



Project Economics/Key Terms

Project Economics ⁽¹⁾	
Capacity	8.8 MWp
Irradiation Yield	2,670 kwh/kwp
PPA Terms	Price: US\$, CPI adjusted Term: 15-year
Production	23.4 GWh / year
Revenue ⁽²⁾	\$2.7 million ⁽²⁾
EBITDA ⁽²⁾	\$2.1 million ⁽²⁾
Free cash flow ⁽²⁾	\$0.5 million ⁽²⁾

Notes:

- (1) Project economics are subject to change as construction is not expected to commence until Q4-2013 and project financing is not yet secured. Financial model is based on best estimate.
- (2) Revenue, EBITDA and free cash flow presented here, represent the amounts expected for the first year of operation.

Timeline

KEY MILESTONE	Q2-2013	Q3-2013	Q4-2013	Q1-2014	Q2-2014
1. SIGNING OF PPA					
2. AWARDING OF EPC CONTRACTOR / MODULE PROVIDER					
3. COMPLETION OF ALL PERMITS					
4. FINANCIAL CLOSE					
5. CONSTRUCTION					
6. START OF OPERATIONS					

Financial Review



Q1-2013 Financial Results

	Q1-2013	Q1-2012	Variance
<i>(US\$'000)</i>			
Revenue ⁽¹⁾	8,322	10,738	(2,416)
Operating expenses ⁽²⁾	(1,825)	(986)	(839)
General and administrative expenses ⁽³⁾	(1,363)	(2,008)	645
Other (expenses)/income	(393)	1,403	(1,796)
EBITDA⁽⁴⁾	4,741	9,147	(4,406)
Depreciation and amortization	(5,080)	(5,076)	(4)
Net finance costs ⁽⁵⁾	(7,150)	(6,820)	(330)
Income tax recovery ⁽⁶⁾	2,033	448	1,585
Net loss	(5,456)	(2,301)	(3,155)
Adjustments for non-cash item items:			
- Other expenses/(income) ⁽⁷⁾	393	(1,403)	1,796
Adjusted net loss before non-recurring items⁽⁴⁾	(5,063)	(3,704)	(1,359)
- Depreciation and amortization	5,080	5,076	4
- Fair value movements (derivatives) ⁽⁵⁾	68	(92)	160
- Share-based payment	168	79	89
Adjusted net income/(loss) before non-recurring and non-cash items⁽⁴⁾	253	1,359	(1,106)

First quarter results are impacted by the seasonality of solar revenues over the year

Notes:

- (1) Revenues decreased by \$2.4 million (22%) compared to Q1-2012, due to: lower solar irradiation and a reduction in the spot market price in Italy (reducing the market price received for each kWh from €0.08 to €0.07), offset by foreign exchange rate movements (due to a 1% strengthening of the Euro against the US dollar)
- (2) Operating expenses increased by \$0.8 million (14%), due to: higher property taxes a result of a change in the Italian tax legislation (\$0.3 million) and higher operations and maintenance (O&M) expenses related to three of the Group's solar power projects that commenced after the second year of operation (\$0.5 million)
- (3) G&A expenses decreased by \$0.6 million (30%) due to: a lower headcount due to streamlining of operations (\$0.2 million), internally-generated costs being capitalized within intangible assets associated with business development activities (\$0.4 million) and lower office expenses and travel-related expenditure (\$0.1 million), offset by higher share-based payment expenses (\$0.1 million)
- (4) EBITDA and adjusted net loss before non-recurring items and adjusted net income before non-recurring and non-cash items are non-IFRS measures
- (5) Net finance costs increased by \$0.3 million (5%), due to: higher fair value losses being recognized during the period associated with the Group's interest rate swap contracts (\$0.2 million) and foreign exchange rate movements (due to a 1% strengthening of the Euro against the US dollar) (\$0.2 million), offset by lower interest expense at the project level, due to the self-amortizing nature of the project loans (\$0.2 million). At March 31, 2013, all of the Group's derivative financial instruments qualified for hedge accounting with only the ineffective portion of fair value movements included within profit or loss (within finance costs/income)
- (6) An income tax recovery was recognized during the quarter, due to the seasonality of the Group's revenues over the year, with taxable losses being recognized during the winter months
- (7) During Q1-2013, an impairment loss of \$0.4 million was recognized associated with business development activities. During Q1-2012, other income of \$1.4 million was recognized related to the previously held 10% equity interest in the Company's subsidiary, Solar Resources Holding Sarl, that was acquired in March 2012

Q1-2013 Financial Position

(US\$'000)	Q1-2013	YE-2012	Variance	
Non-current assets	364,643	385,166	(20,523)	
Property, plant and equipment and intangible assets ⁽¹⁾	351,291	366,827	(15,536)	
Available for sale investments	2,061	2,061	-	
Other assets (trade and other receivables and deferred tax) ⁽²⁾	11,291	16,278	(4,987)	
Current assets	62,887	67,611	(4,724)	
Trade and other receivables ⁽³⁾	37,186	29,861	7,325	
Cash and cash equivalents (including restricted cash) ⁽⁴⁾	25,701	37,750	(12,049)	
Total assets	427,530	452,777	(25,247)	
Non-current liabilities	398,683	417,515	(18,832)	
Borrowings ⁽⁵⁾	353,024	369,747	(16,723)	Borrowings: \$383.6 million <ul style="list-style-type: none"> Corporate bond (\$76.4 million) at 9% with 4-year maturity Project loans (\$307.2 million)
Other liabilities (derivatives, deferred income tax and provisions) ⁽⁶⁾	45,659	47,768	(2,109)	
Current liabilities	45,866	49,908	(4,042)	
Borrowings ⁽⁵⁾	30,625	30,024	601	Negative equity position: <ul style="list-style-type: none"> Includes unrealized fair value losses associated with interest rate swaps of \$20.3 million (excluding such losses total equity would have been positive \$3.3 million)
Trade and other payables ⁽⁷⁾	5,313	6,990	(1,677)	
Other (derivatives, income tax and provisions) ⁽⁶⁾	9,928	12,894	(2,966)	
Total liabilities	444,549	467,423	(22,874)	
Total equity⁽⁸⁾	(17,019)	(14,646)	(2,373)	
Working capital (i.e., current assets less current liabilities)	17,021	17,703	(682)	

Notes:

- (1) Property, plant and equipment and intangible assets decreased due to depreciation and amortization and foreign exchange rate variations, offset by costs capitalized associated with business development activities (\$0.6 million)
- (2) Other non-current assets decreased due to the reclassification of input Value-added-tax (VAT) to current assets, a reduction to deferred tax assets and foreign exchange rate variations
- (3) Trade and other receivables increased due to the reclassification of input VAT from non-current assets and higher trade receivables outstanding at the balance sheet date, offset by foreign exchange rate variations
- (4) Cash and cash equivalents decreased by \$12 million during the quarter, primarily due to financing costs of \$11.7 million
- (5) Borrowings decreased due to repayment of self-amortizing non-recourse project loans. In addition, a portion of the VAT facilities was reclassified to current liabilities
- (6) Other liabilities decreased, primarily due to a reduction in the liability position of the Group's derivative financial instruments (i.e., interest rate swap contracts), due to a higher forecasted Euribor curve
- (7) Trade and other payables decreased primarily due to the payment of employee benefits and other accruals
- (8) Total equity includes share capital (\$33.3 million), contributed surplus (\$10.6 million), net losses associated with interest rate swap contacts and currency translation adjustments (\$19.7 million) and accumulated deficit (\$41.2 million)

Net Debt Position

Net Debt Position (IFRS)

	Q1-2013	YE-2012
<i>(US\$'000)</i>		
Borrowings		
Non-recourse loans		
Cassiopea (BIIS, Societe Generale and WestLB)	133,332	140,370
Etrion Lazio/Helios ITA-3/Sagittario (Natixis Portfolio) ⁽¹⁾	73,690	75,352
Centauro (Barclays)	48,332	50,736
Helios ITA (Societe Generale and Dexia)	36,382	37,214
SVE (Centrobanca)	15,500	16,032
Corporate debt		
Corporate bond	76,413	80,067
Total borrowings	383,649	399,771
Cash and cash equivalents (including restricted cash) ⁽²⁾	(25,701)	(37,750)
Net debt position	357,948	362,021

Notes:

- (1) Natixis portfolio includes Natixis, WestLB and Mediocreval
- (2) Restricted cash relates to cash and cash equivalents held at the project level that is restricted by the lending banks for future repayment of interest and principal and working capital requirements related to the specific project.
- (3) VAT facilities are excluded from total borrowings as this is a cash-in/cash-out item (i.e., VAT facilities will be repaid using proceeds from input VAT)
- (4) Borrowings per the consolidated financial statements include accrued interest, net of transaction costs, in accordance with IFRS. These non-cash items are excluded from total borrowings to calculate the Group's net debt position on a cash flow basis

Net Debt Position (Cash-flow basis)

	Q1-2013	YE-2012
<i>(US\$'000)</i>		
Borrowings		
Total borrowings (per consolidated financial statements)	383,649	399,771
VAT facilities ⁽³⁾	(19,191)	(20,054)
Accrued interest ⁽⁴⁾	(916)	(2,867)
Transaction costs ⁽⁴⁾	10,413	10,952
Total borrowings (excluding non-cash items)	373,955	387,802
Cash and cash equivalents (including restricted cash) ⁽²⁾	(25,701)	(37,750)
Adjusted net debt position	348,254	350,052

Conclusion – Etrion Well Positioned for Growth

- **Transformation** of the business to a sustainable growth platform
- Credible plan to achieve **diversification**
 - Geography – Europe and the Americas
 - Contract regime – FiT complemented by PPAs and merchant
- Clear path to reach **critical mass** and option for **dividends**
- Business model evolving to **non-subsidy environment** resulting in sustainable long-term growth
- **Strong management** and **scalable platform** with proven track record for success



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