

Etrion Announces Commencement of a Buy-Back Offer for Partial Bond Repurchase

December 12, 2016, Miami, Florida, United States – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, today announced that it has launched an offer (the “**Buy-Back Offer**”) to repurchase for cash a portion of the Company’s 8% Senior Secured Bonds due 2019 (the “**Bonds**”) that are accepted pursuant to the auction to be conducted in respect of the Buy-Back Offer. The funding for the Buy-Back Offer, if successful, will come from the cash proceeds expected to be received from the sale and divestiture of the Company’s Italian solar assets, announced on November 14, 2016.

The Company is targeting to buy back up to EUR 40 million of Bonds, but is open to buy back more or less depending on how the auction is priced. Bonds bought back will be cancelled / discharged.

The terms of the Buy-Back Offer will be published on www.stamdata.no, the information service of the Bonds’ trustee, Nordic Trustee. Requests for more information may also be directed to the Manager for the Buy-Back Offer, Pareto Securities, at etrion@paretosec.com.

Bondholders are alerted to the deadline for their responses at 17:00 CET on 16 December 2016. Furthermore, the Company may, in its sole discretion, waive, amend, extend, accelerate, terminate or withdraw the Buy-Back Offer at any time.

The Company will only accept offers with respect to the Bonds from a Bondholder or beneficial owner of the Bonds (or any person acting as agent, custodian, fiduciary or other intermediary capacity for a Bondholder or beneficial owner) who: (a) is not a U.S. person (as such term is defined pursuant to Regulation S under the US Securities Act of 1933, as amended the (“**Securities Act**”) and who is outside the United States; and (b) is not located in Canada and is not submitting the offer from Canada or is acting on a nondiscretionary basis for a principal located outside Canada that is not giving an order to submit the offer from Canada.

If the Company decides to repurchase bonds, all bonds will be repurchased at the same price.

Summary of Buy-Back Procedure

Buy-Back Offer Period:	Commencement: 09:00 CET, 12 December 2016 Expiration: 17:00 CET, 16 December 2016
Price:	To be expressed as a percentage of the nominal amount. The Issuer will in addition pay accrued but unpaid interest, calculated up to the date of repurchase, on any Bonds repurchased. All Bonds will be repurchased at the same price.
Amount:	The Company is targeting to buy back up to EUR 40 million of Bonds, but is open to buy back more or less pending how the auction is priced. If the total number of Bonds offered at the final offer price exceeds the maximum number of Bonds which the Company resolves to buy-back, the Company will, in consultation with the Manager

	reduce the nominal amounts of Bonds to be acquired compared to the nominal amounts of Bonds offered by the Bondholder. The reduction of the nominal amounts of Bonds to be acquired will primarily be made based on a pro rata allocation between the Bondholders, but the Company reserves the right to deviate from this principle if deemed appropriate, e.g. in order to cater for smaller volumes or for other practical reasons.
Placing of Offers during the Buy-Back Offer Period:	All submissions of Bondholders Offer Form are to be sent to the Manager no later than 17:00 CET 16 December 2016 at etrion@paretosec.com
Announcement of the result of the Buy-Back Offer:	Expected to be announced on 19 December 2016.
Settlement of the Buy-Back Offer:	Cash payment in EUR.
Settlement Date of the Buy-Back Offer:	Expected to be on 21 December 2016.
Contacts:	Any questions related to the Buy-Back Offer can be directed to the Manager: <i>Pareto Securities:</i> email: etrion@paretosec.com <i>Eirik V. Dahle</i> , Tel: +47 24 13 21 29; email: eirik.dahle@paretosec.com <i>Stian Winther</i> , Tel: +47 22 87 87 73; email: stian.winther@paretosec.com

DISCLAIMER

The distribution of the Buy-Back Offer to Bondholders in certain jurisdictions may be restricted by law. Persons into whose possession the Buy-Back Offer to Bondholders comes are required by the Company and the Manager for the Buy-Back Offer to inform themselves about, and to observe, any such restrictions.

United States and Canada

The Buy-Back Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or Canada. This includes, but is not limited to, facsimile transmission, electronic mail, telephone and the Internet. The Bonds may not be offered by Bondholders seeking to participate in the Buy-Back Offer by any such use, means, instrumentality or facility from or within the United States or Canada or by persons located or resident in the United States or Canada. Accordingly, copies of this announcement, the Buy-Back Offer to Bondholders and any other documents or materials relating to the Buy-Back Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or Canada or to any persons located or resident in the United States or Canada. Any purported offer of Bonds in the Buy-Back Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer of Bonds made by a person located or resident in the United States or Canada, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each person participating in the Buy-Back Offer will represent that it or any beneficial owner of the Bonds or any person on whose behalf such person is acting: (a) is not a U.S. person (as defined pursuant to Regulation

S under the Securities Act) or a resident and/or located in the United States and will not be resident and/or located in the United States at the time of the submission of its offer pursuant to the Buy-Back Offer; and (b) is not located in Canada and is not submitting the Buy-Back Offer from Canada or it is acting on a nondiscretionary basis for a principal located outside Canada that is not giving an order to submit the Buy-Back Offer from Canada. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia, and "Canada" means Canada, its provinces and territories.

United Kingdom

The information contained in this announcement does not constitute an invitation or inducement to engage in investment activity within the meaning of the United Kingdom Financial Services and Markets Act 2000. In the United Kingdom, this announcement is being distributed only to, and is directed only at (i) persons who are outside the United Kingdom, (ii) persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")), (iii) persons who are within Article 43 of the Financial Promotion Order or (iv) any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This announcement and the Buy-Back to Bondholders is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

General

This announcement is neither an offer to purchase nor the solicitation of an offer to sell any of the securities described herein, nor shall there be any offer or sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Buy-Back Offer is made solely pursuant to the Buy-Back Offer to Bondholders dated 12 December, 2016.

This announcement must be read in conjunction with the Buy-Back Offer to Bondholders. This announcement and the Buy-Back Offer to Bondholders contain important information which should be read carefully before any decision is made with respect to the Buy-Back Offer. If any Bondholder is in any doubt as to the action it should take, it is recommended that such Bondholder seek its own financial and legal advice, including as to any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to offer Bonds in the Buy-Back Offer. None of the Company or the Manager makes any recommendation as to whether a Bondholder should participate in the Buy-Back Offer.

About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 164 MW of installed solar capacity in Italy, Chile and Japan. Etrion has 23 MW of solar projects under construction in Japan and is also actively developing additional greenfield solar power projects in 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% of the Company's shares directly and through various trusts.

For additional information, please visit the Company's website at www.etrion.com or contact:

Paul Rapisarda – Chief Financial Officer
Telephone (Miami, FL, USA): +1 (786) 636-6449
Telephone (Geneva, Switzerland): +41 (22) 715 20 90

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”).

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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 a.m. CET on December 12, 2016.

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 the Buy-Back Offer). 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 assumptions as to the ability of Etrion to purchase Bonds pursuant to the Buy-Back Offer). 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 risk that Etrion may not be able to conclude the purchase of all or any of the Bonds sought pursuant to the Buy-Back Offer.

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.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY U.S. PERSON.

12December 2016, Etrion Corporation (the "Company")	
Bondholders Offer Form Potential Buy-Back of 8% Senior Secured Bonds due 2019 (the "Bonds") with ISIN NO 001070927.2	Pareto Securities AS (the "Manager") E-mail: etrion@paretosec.com Phone: +47 22 87 87 50
<p>Buy-Back Offer: By submitting this bondholders offer form (the "Bondholders Offer Form") to the Manager before the auction deadline 17:00 CET on 16 December 2016, the offeror (the "Bondholder") irrevocably commits itself to sell the Bonds specified in the table below to the Company (the "Offer") according to the terms and conditions of the Buy-Back Offer as described in the press release from the Company dated 12 December 2016 (the "Press Release"). Once a duly executed Bondholders Offer Form has been submitted, the Bondholders Offer Form is binding and irrevocable for the Bondholder until the Company's deadline for acceptance at 09:00 CET 19 December 2016, and may until such time not be withdrawn or modified or altered. A Bondholder may sell all or a portion of its Bonds in the Buy-Back Offer. The Company is under no obligation to accept any Bondholders Offer Form from any Bondholder.</p> <p>If the Company accepts the Bondholders Offer Form in whole or in part, the Bonds in respect of which the Bondholders Offer Form has been accepted will be transferred to the Company pursuant to the Bondholder's instructions to the Manager in this Bondholder Offer Form (and without obtaining any further instructions from the Bondholder). The Bondholder represents that the Bondholder is the owner of all such Bonds and that all such Bonds offered for sale are free of any encumbrances and any other third party rights and with all rights attached to them.</p> <p>The Bondholders Offer Form must be correctly completed and received by the Manager no later than 17:00 CET on 16December 2016.</p> <p>If the Company decides to repurchase bonds, all bonds will be repurchased at the same price. The final offer price applicable to the Buy-Back Offer will be determined by way of a book-building process.. If the total number of Bonds offered at the final offer price exceeds the maximum number of Bonds which the Company resolves to buy-back, the Company will, in consultation with the Manager, reduce the nominal amounts of Bonds to be acquired compared to the nominal amounts of Bonds offered by the Bondholders. The reduction of the nominal amounts of Bonds to be acquired will primarily be made based on a pro rata allocation between the Bondholders, but the Company reserves the right to deviate from this principle if deemed appropriate, e.g. in order to cater for smaller volumes or for other practical reasons. By submitting this Bondholders Offer Form, the Bondholder accepts such possible reduction in nominal amount to be acquired by the Company.</p> <p>The result of the auction, i.e. whether the Company will buy back all or parts of the Bonds offered or not, and the applicable purchase price for the Bonds to be repurchased, will be announced before 09:00 CET 19 December 2016. The Company will only communicate acceptance of Bondholders Offer Forms (if any) through a press release to be posted on the Company's web site and on www.stamdata.no.</p> <p>Cash settlement of Bonds accepted by the Company for purchase will take place within 2 business days (Oslo) after the Company's deadline for acceptance, expected 21 December 2016, unless settlement is delayed due to technical and/or administrative errors. The Company will pay the repurchase price together with accrued unpaid interest (if any) for the period up to but excluding the settlement date by crediting the Bondholder's bank account stated below.</p>	

SPECIFICATION OF OFFERED ETRION CORPORATION: TICKER ETRION02, ISIN: NO 001070927.2

Each line of the following table shall form a separate Offer and the nominal values stated shall not be given as cumulative totals.

Offer number	Bondholder's VPS account / Custodian / Fund / Name	Nominal Amount(s) in EUR*	Offer price(s)
1			at minimum % of nominal value
2			at minimum % of nominal value
3			at minimum % of nominal value
4			at minimum % of nominal value
5			"at market"
Total nominal value of Bonds offered:			

*Nominal amount(s) needs to be in whole bonds, i.e. in EUR 100,000 intervals

The Manager is hereby authorized to transfer the above specified bonds from our/my VPS account to the Company and also to transfer the Bonds to another VPS account as part of settlement proceedings, and may instruct our/my VPS account operator to release the Bonds for such purpose. Bondholders tendering directly to the Manager must have or create a client relationship with the Manager.

Bondholder's date and place	Bondholder signature
	The bondholders must have legal capacity. When signing by authorisation, documentation in form of company certificate or power of attorney must be enclosed.

DETAILS OF THE BONDHOLDER

Bondholder's VPS account no.
Bondholder's Norwegian bank account to be credited (11 digits)
Prime Broker (MUST BE COMPLETED FOR NON-NORWEGIAN BONDHOLDERS)
Bondholder's full name/Company name
Name of contact person with Offer
Telephone (day time)
E-mail address
Street address etc. (private sellers: state home address)
Postal code and area, country
Date of birth and national ID number (11 digits)/company registration number (MUST BE COMPLETED)

By signing this Bondholders Offer Form, the Bondholder expressly agrees and acknowledges the terms of the Buy-Back Offer, and confirms that the Bondholder has read and understood this Bondholders Offer Form (including the following page) and the press release.

The Bondholder also represents by signing this Bondholders Offer Form (and any person who is acting on behalf of any Bondholder that signs this form represents as to the Bondholder) that such Bondholder: (a) is not resident and/or located in the United States and will not be resident and/or located in the United States at the time of the submission of its Offer pursuant to the Buy-Back Offer and is not a U.S. person (as defined pursuant to Regulation S under the US Securities Act of 1933, as amended); and (b) is not located in Canada and is not submitting the Offer from Canada or it is acting on a non-discretionary basis for a principal located outside Canada that is not giving an order to submit the Offer from Canada. For these purposes "Canada" means Canada, its provinces and territories

Any Bondholder or authorised representative of a Bondholder making an offer to the Manager by means of the telephone will be deemed to agree and certify to all of terms and restrictions of the Buy-Back Offer and to have made the representations to the Company as set forth in this Bondholders Offer Form.

The Bondholder must be of age. If the Bondholders Offer Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

Offer and Distribution Restrictions:

United States: The request for Offer and/or any agreement to sell is not being made, and will not be made, in the United States, and this document may not be distributed in or to any person located in the United States. The term "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia. Any purported offer or agreement to sell Bonds resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person appearing or otherwise believed by the Company to be located or resident in the United States, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Canada: The request for Offer and/or any agreement of sale is not being made, and will not be made, directly or indirectly in or into Canada by any means. Any offer or agreement to sell Bonds resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person located in Canada or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within Canada will be invalid and will not be accepted.

United Kingdom: The information contained in this Bondholders Offer Form does not constitute an invitation or inducement to engage in investment activity within the meaning of the United Kingdom Financial Services and Markets Act 2000. In the United Kingdom, this announcement is being distributed only to, and is directed only at (i) persons who are outside the United Kingdom, (ii) persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")), (iii) persons who are within Article 43 of the Financial Promotion Order or (iv) any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This announcement and the Buy-Back Offer to Bondholders is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

General: The request for Offer and/or any agreement to sell is not intended for Bondholders located in any jurisdiction in circumstances which would require the Company to prepare or register any prospectus, offering document or circular relating to the request for Offer and/or agreement to sell in such jurisdiction, and the Company may refuse to receive offers submitted from such jurisdictions. The distribution of this document in certain jurisdictions may be restricted by law. Any persons reading this document should inform themselves of and observe any such restrictions.

Important Notice and disclaimers: The Manager is acting on behalf of the Company in connection with the request for offer and any agreement to sell. The Manager will not be acting on behalf of any other party in connection therewith and will not be responsible to any party other than the Company for providing the protections normally granted to their customers, or advice in relation to the request for Offer and any agreement to sell.

Any decision to submit an Offer should only be made on the basis of an independent review by you of publicly available information. By submitting the Offer and signing the Bondholders Offer Form you will be deemed to have acknowledged, represented to and agreed with the Manager that: (a) you have such business and financial experience as is required to give you the capacity to protect your own interests in connection with the sale of Bonds under the Buy-Back Offer; (b) you may not rely, and have not relied, on any investigation that the Manager or any of their respective affiliates, or any person acting on behalf of the Manager or any of their respective affiliates, may have conducted with respect to the Company, the Bonds, and neither the Manager nor any of their respective affiliates have made any representation to you, express or implied, with respect to the Company, the Bonds or the accuracy, completeness or adequacy of any publicly available information; (c) you understand that no disclosure or offering document has been prepared in connection with the Buy-Back Offer; (d) you understand that the Bonds are not and have never been listed on any regulated market place or stock exchange and that the Company is not subject to on-going disclosure requirements; (e) you have made your own assessment when submitting the Bondholders Offer Form based on such information as is publicly available (which you acknowledge you have been able to access, read and understand); (f) you have made your own investment decision regarding the Buy-Back Offer based on your own knowledge and investigation of the Company and the Bonds; (g) the Manager shall have no liability for any other representations (express or implied) contained in, or for any omissions from, such information or any other written or oral communication transmitted to you in the course of your evaluation of the Buy-Back Offer; (h) the Manager shall have no obligation to update any such information or to correct any inaccuracies therein or omissions therefrom which may become apparent, even where the Manager is aware of such inaccuracies or omissions; (i) you have consulted your own independent advisers or otherwise have satisfied yourself concerning, without limitation, any accounting, regulatory, tax or other consequences of selling the Bonds in the light of your own particular situation under the laws of all relevant jurisdictions.

In accordance with the Norwegian Securities Trading Act of 29 June 2007 no. 75, the Manager must categorize all new customers in one of three customer categories. All Bondholders that Offers Bonds and which are not existing clients of the Manager will be categorized as non-professional clients unless otherwise is communicated in writing by the Manager. For further information about the categorization the Bondholder may contact the Manager. The Manager will treat the Offer as an execution only instruction from the Bondholder and hence the Manager will not determine whether the Offer is suitable or not for the Bondholder as otherwise provided for in the Norwegian Securities Trading Act.

The Company and the Manager shall not bear any risk or liability in the event the Bondholders Offer Form or another form of acceptance of the Buy-Back Offer is not received for any reason whatsoever, including technical difficulties. The Manager may, in its sole discretion, accept applications placed by taped phone, e-mail, Bloomberg or other means they deem appropriate, but may request that the order is subsequently confirmed by the execution of this Bondholders Offer Form in writing, and may, if the Bondholder fails to satisfy such requirement, in their sole discretion, disregard the offer, without any liability towards Bondholder. Any offer placed by taped phone, e-mail or Bloomberg or by other means, shall be deemed made on the terms and subject to the conditions set out in this Bondholders Offer Form.

Governing law and jurisdiction: The Buy-Back Offer and all acceptances submitted in response thereto, including this Bondholders Offer Form, are governed by Norwegian law with the Oslo city court as legal venue. Any disputes arising out of, or in connection with, the Buy-Back Offer, are subject to Norwegian law and shall exclusively be settled by Norwegian courts and with Oslo District Court as legal venue.