

PRESS RELEASE

Etrion provides an update on its backlog as a result of new METI rules in Japan

December 13, 2018, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, announces the impact of the new regulatory guidelines for solar project development published by the Japanese Ministry of Economy, Trade and Industry (“METI”).

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “The new solar rules announced in Japan are less stringent than expected. For Etrion’s backlog, we can confirm that our 45 MW Niigata project will not be affected and will continue as planned. The 60 MW project in the Mie prefecture is very unlikely to be affected since most of the permits have already been obtained. We are cautiously optimistic that we will be able to begin construction of this project in 2019. We are still evaluating the overall feasibility of the 45 MW Kumamoto project due to the new METI rules.

In general, the new METI rules have created opportunities for us in Japan. Many developers will need help to accelerate their solar projects in order to avoid potential Feed-in-Tariff (“FiT”) changes under the new rules. Etrion is actively screening the market to identify affected projects that can benefit from Etrion’s market position and local expertise. We remain optimistic about Japan, and we will continue to deliver solar projects with strong economics returns.”

FiT Amendment Act Ordinance

On December 5, 2018, METI announced additional details on the recently approved measures concerning procurement of electricity from renewable energy sources by electricity utilities (the “FiT Amendment Act Ordinance”). The FiT Amendment Act Ordinance sets out new rules to address solar projects under development that hold FiT of 40¥, 36¥ and 32¥/kWh.

More specifically, the new rules include (a) exceptions for projects already close to construction, (b) new grid connection work application submission and acceptance deadlines, (c) requirements for land rights and specific permits to be obtained before a grid connection work application can be submitted, (d) FiT rate reduction penalties if grid connection work applications are submitted without the required land rights and permits, (e) new scheduled grid connection deadlines to be set by the utility (although there will now be no FiT rate reduction if such deadlines are not met), (f) new commercial operation deadlines (which if not met, will result in the power purchase agreement period shortening on a month by month basis but not in an FiT rate reduction), and (g) relaxation of the module change rules for projects that are subject to the new measures.

About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns and operates 57 MW of solar capacity in Japan. Etrion also has several projects in the backlog and pipeline at different stages of development 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 36% of the Company's shares directly and through various trusts.

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Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act. The information was submitted for publication at 8:05 a.m. CET on December 13, 2018.

For additional information, please visit the Company's website at www.etrion.com 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 the Company's projects in Japan under construction and in development and the expected impact of the FiT Amendment Act Ordinance) 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 as to the expected impact of the FiT Amendment Act Ordinance and the ability of the Company to execute on its projects in Japan under construction or in development on economic terms and in a timely manner. 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 that the impact of the FiT Amendment Act Ordinance on the Company's current and future projects may be different from that currently expected, the risk that the Company may not be able to obtain all applicable permits for the development of projects in Japan and the associated project financing required for the development of such projects on economic terms, the risk of unforeseen delays in the development and construction of its projects under construction or in development and the risk that the Company may not be able to obtain and develop additional projects on economic terms. Reference is also made to the risk factors disclosed under the heading "Risk factors" in the Company's AIF for the year ended December 31, 2017 which has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

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.