

FINAL TRANSCRIPT

Alterra Power Corp.

Q3 2015 Earnings Conference Call

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CORPORATE PARTICIPANTS**Ross Beaty**

Alterra Power Corp. — Executive Chairman

John Carson

Alterra Power Corp. — Chief Executive Officer

Lindsay Murray

Alterra Power Corp. — Interim Chief Financial Officer

Jay Sutton

Alterra Power Corp. — Vice President, Hydro Power

Paul Rapp

Alterra Power Corp. — Vice President, Wind and Geothermal Power

Ásgeir Margeirsson

Alterra Power Corp. — HS Orka, Chief Executive Officer

CONFERENCE CALL PARTICIPANTS**Rupert Merer**

National Bank Financial — Analyst

Jonathan Lo

Raymond James — Analyst

Marin Katusa

KCR Fund — Analyst

Mike Plaster

Salman Partners — Analyst

Aram Fuchs

Fertilemind Capital — Analyst

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PRESENTATION**Operator**

Good morning, ladies and gentlemen, and welcome to the Alterra Power Corp. Third Quarter Results Conference Call.

At this time, all lines are in a listen-only mode, but following the presentations we will conduct a question-and-answer session. If at any time during the call you require immediate assistance, please press *, 0 for the Operator.

Note that this call is recorded on Wednesday, November 11, 2015.

I now would like to turn the conference over to Ross Beaty. Please go ahead, sir.

Ross Beaty — Executive Chairman, Alterra Power Corp.

Thank you very much, Operator, and good morning, ladies and gentlemen. Welcome to Alterra's Q3 financial and operating results conference call.

It's an absolutely beautiful day in Vancouver today between storms, I should add. We have a room full of people of Alterra's senior management team, which John will introduce in just a moment.

But I first want to recognize we are doing this on a national holiday in Canada for Remembrance Day remembering our war dead.

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And also I want to remind everybody that we do have forward-looking statements today in our materials, and we'll be saying something's about our future plans, and we do seek Safe Harbor for these comments.

Q3 was a reasonable quarter for us; had a lot of normal operational results, I would say; no big surprises. I will go through those, of course, and the real highlight was the continuing successful development of our Shannon and Jimmie Creek development projects. And those are really progressing well, and you'll get a flavour for those as we go through the presentations today.

So without any further comments from me, I'd like to turn the meeting over to John Carson, Alterra's Chief Executive Officer. John?

John Carson — Chief Executive Officer, Alterra Power Corp.

Thanks, Ross. I echo your comments about the quarter, and we are indeed very excited about the advancement of Jimmie Creek and Shannon.

At this time in the room with me I'd like to introduce folks on the phone. We'll have Lindsay Murray, our interim CFO, who will lead the financial discussion, along with Ben Came. Then on the engineering side we have Paul Rapp, our director of Wind and Geothermal Power, and then Jay Sutton, our lead of Hydro Power.

Also in the room with me is Shannon Webber, our General Counsel; Murray Kroeker, who heads up our solar activities; and Jon Schintler, who is our VP of Project Finance. And from Iceland joining us is our CEO of that business, Ásgeir Margeirsson.

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So we're fully equipped to answer questions today, and we look forward to fielding any questions that you may have.

With that, I'd like to start the discussion. Over to Lindsay for a wrap-up of our financials.

Lindsay Murray — Interim Chief Financial Officer, Alterra Power Corp.

Thanks, John. As you have seen from our financial statements and MD&A released yesterday, Q3 was another great quarter for Alterra. Our operating facilities achieved fleet-wide generation of 97 percent of budget, while our construction projects progressed on schedule and on budget.

Although our generation was down quarter on quarter at Toba Montrose and in Iceland, our operating facilities have achieved 101 percent of budgeted generation for the nine months ended September 30th, with Toba Montrose leading the way.

Toba has had record-high generation for the year, meeting its annual generation target on October 8th, and generation subsequent to this remaining strong.

For those of you that are following the presentation on our website, I refer you to Slide 4, Third Quarter Consolidated Results. Consolidated revenue and EBITDA decreased 25 and 17 percent, respectively, due to foreign exchange, the sale of Soda Lake in January 2015, as well as decreased generation at the Toba Montrose and Reykjanes plants.

Although our operating results are down quarter on quarter, this is largely due to foreign exchange, as the Canadian dollar weakened 19 percent and the Icelandic krona weakened 13 percent

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against the US dollar. You will see on Slide 5 our operating results in each entity's functional currency, which are down quarter on quarter, but significantly higher than in our reporting currency.

I'd also like to highlight what an amazing quarter Dokie had. In Dokie's functional currency, the Canadian dollar, revenues and EBITDA increased 38 percent and 71 percent, respectively, due to higher winds, coupled with lower repair and maintenance costs.

Turning back to the consolidated results. You will see equity income increased significantly compared to the third quarter of 2014.

As a reminder, we closed our project financing and a partnership agreement in the second quarter of 2015 with respect to our Shannon project, and have been accounting for the project as an equity investment since then. As a result, equity income increased 5.2 million, primarily due to a large noncash gain at Shannon associated with movements in the power hedge.

Other significant changes against the comparative quarter continue to be movements in other income and expenses, which declined by 6 million against 2014. This decrease is predominantly due to noncash items, including the unfavourable movements in foreign exchange and the fair value of the embedded derivative due to decreased forecasted future aluminum prices. The end result for the quarter was a profit before tax of \$1.4 million versus 2.4 million in the comparative quarter.

Moving on, Slides 6 and 7 show the Company's net interest in generation, revenue, and EBITDA of our operating assets. These numbers reflect the Company's 66.6 percent interest in HS Orka, 40 percent interest in Toba Montrose, and 25.5 percent interest in Dokie.

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Turning to the balance sheet on Slide 8. Total assets decreased 4 percent to 600 million since December 31st. This is due to the sale of Soda Lake, repayments of loans, and foreign exchange.

Loan repayments in the period amounted to 13.9 million, with the majority of that being at HS Orka.

Current liabilities look uncharacteristically high this quarter due to the classification of the ISK-denominated holding company bond in Sweden from long term to current, as it is maturing in July 2016. The Company plans to retire this bond through a refinancing, and negotiations are well underway. Interest of 1.9 million was paid on this holding company bond during the quarter.

The Company's revolving credit facility was also repaid in full during the quarter, and the Company currently has CAD \$20 million available under the facility.

The reclassification of the bond and spend associated with the construction of Shannon has also impacted our working capital, which is sitting at a deficit of 49.4 million compared with working capital of 46.2 million at December 31st.

If we were to exclude the short-term bond which is expected to be refinanced, working capital was 3.2 million.

While speaking about the balance sheet, I'd like to draw your attention to the embedded derivative. The derivative rose due to the power sale contracts in Iceland that are linked to the price of aluminum, which expire in 2019 and 2026. This balance is currently a \$59 million liability, with a noncash loss of 5.5 million recorded for the quarter in the statement of operations.

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The accounting treatment for this derivative is complex, but I'd like to remind you that the liability is headed toward zero as the contracts approach maturity, and the gains and losses seen in the income statement are noncash in nature. These gains and losses arise from marking to market the future prices of aluminum each quarter.

That concludes my update on the third quarter results, and I'll hand it back to John.

John Carson

Thank you, Lindsay. I appreciate that, and at this time we'll turn it over to discuss our operations beginning with Jay Sutton, our VP of Hydro Power. Jay, over to you.

Jay Sutton — Vice President, Hydro Power, Alterra Power Corp.

Thanks, John. Referring to Slide 11, TMGP had a successful third quarter of 2015, producing 375 gigawatt hours of energy versus our forecast of 380 gigawatt hours.

The extended hot summer and rainfall in September resulted in continued high flows, allowing team TMGP to achieve 99 percent of its forecast in the third quarter and 111 percent of its forecast generation year to date. Our strong generation has continued into the fourth quarter, and we achieved 127 percent of the forecast for the month of October.

As Lindsay mentioned, for 2015 we have reached our full year forecast generation on 8th of October, which is 10 days ahead of 2014's dates, and is the earliest since the facility started operations in 2010.

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At the plants, the third quarter is our peak-generating period, so we performed our routine maintenance and started preparing for the upcoming outage season.

We continued to make improvements on the plants to increase the amount of water we are capturing and decrease the amount of sediment entering the facilities. Our crews continue to operate and maintain the plant safely and within our environmental commitments, and we have now operated for over two years without a recordable incident for our employees or our contractors.

That's all for Toba Montrose, John.

John Carson

Thanks, Jay. I'd like to remind folks that this same exact crew that works on our Toba Montrose plant and has done such an incredible job will also be managing and operating the Jimmie Creek plant. So good news all around there, and the asset continues to perform exceptionally well. We had a record-breaking year, and it looks like we're going to break last year's record this year.

Paul, over to you for Wind.

Paul Rapp — Vice President, Wind and Geothermal Power, Alterra Power Corp.

Thanks very much, John. So moving to Slide 12 for our Dokie operations.

The Dokie wind farm had a great third quarter, and we produced 78.4 gigawatt hours of electricity, or 109 percent of the planned generation. Production year to date is at 100 percent of plan, and generation is very strong month to date in November.

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Vestas, our service contractor at site, has completed all their scheduled maintenance for the year, and this is going to help us maximize production for the remainder of the year.

And overall the Dokie facility continues to operate well. No safety or environmental issues, no equipment issues, and continuing to exceed our availability targets.

John Carson

Thank you, Paul. And we're really cheering the generation on at Dokie. If we achieve 100 percent by year's end, we stand to earn an earn-out of \$750,000, so we're all cheering for that over here in the business.

With that, let's look at our geothermal side. Paul?

Paul Rapp

Sure. So at our Svartsengi and Reykjanes plant in Iceland, both plants performed well in the third quarter, and production was at 97 percent of plan. We're at 96 percent of plan year to date.

Production is below plan due to the exceptionally high hot water demand we had in early 2015 due to the very cold weather, meaning that less steam was available then for electricity production, and also due to reduced production at the Reykjanes plant. We've seen a decline in the reservoir pressure at Reykjanes, and we have work in progress we've reported on previously to increase reinjection to provide the needed pressure support for the field.

So further on that, work is nearly completed on a pipeline at Reykjanes which will transport geothermal fluid from the power production to the previously drilled RN-33, 34 drill hole area north

of the plant for reinjection. This new reinjection site will provide pressure support for the Reykjanes geothermal field, and will increase the long-term stability for the plant.

At Svartsengi, earlier this week we completed the first of two planned production drill holes. The first hole, Svartsengi 25, is a make-up hole to provide additional steam to the plant, and logging and testing in that hole is underway. Early indications are very good for that hole.

The second hole, Svartsengi 26, is an exploratory hole to look to expand the field, and drilling of that second hole will commence shortly after the testing on Svartsengi 25.

Also at Svartsengi, we continued work on a new fluid disposal pipeline to the ocean, including completion of the outlook works at the seashore and construction of the pipeline. And this pipeline will be completed in spring of 2016 and will allow better control of the fluid discharge at Svartsengi. And will allow for increased power production at the plant.

And back over to you, John.

John Carson

Thanks, Paul. Let's look at our construction assets, both of which have been on time and on budget. Let's get to the good news, starting with you, Jay.

Jay Sutton

Okay. So referring to Slide 14, contractors at Jimmie Creek made great progress in the third quarter.

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At a high level, we're expecting to complete the civil work on the project by the end of this year, and continue the electrical and mechanical installations through to the spring when we will begin our commissioning.

At the intake we've completed the concrete for the intake and rubber dam, and are scheduled to divert the flows back into the new intake structure next week and finish the overflow spillway by the end of this year.

As you can see in the photo on the slide, the rubber dam was commissioned in October, and the installation and commissioning of the gates have started.

On the penstock construction, over 95 percent of the penstock is complete, and the final two pieces are scheduled to be installed by the end of November. The contractor has installed all the penstock on the challenging steep section, and has commenced remediating the site.

Finally down at the powerhouse, the installation of the generating equipment has started with the installation of the housings and distributor. Both generators have arrived in Vancouver and will be delivered to the site at the end of November. All the switchyard equipment, including the transformers, have been installed, and the contractor is now starting to pull and terminate the cables.

The project has achieved a high standard of quality, safety, and environmental compliance, and it remains on budget and schedule. And we are looking forward to generating electricity in the third quarter of 2016.

Thanks, John.

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John Carson

Good news. And, Paul, Shannon?

Paul Rapp

Sure. Moving on to Slide 15 for our Shannon wind project located in North Texas. Construction at Shannon has moved along very well, and the project is very close to reaching commercial operations. We remain on budget and on schedule at Shannon.

As of this morning, we have only three of the total of 19 turbines left to complete erection, and the project cranes are at the final turbine locations. Commission and energization of the turbines is progressing well behind the turbine erection, and the remainder of the balance of plant is completed. And we expect to reach commercial operations at Shannon in early December.

At that point our tax equity—our \$212 million tax equity funding will close, and the proceeds from this funding will pay off our construction loan.

Things are going very well at Shannon.

John Carson

Thanks, Paul. Really happy to hear the construction news on both fronts. With that, we'll take you to Slide 16, and just a bit about looking ahead.

First of all, what we're focused on is wind development with two prongs: number one, greenfield development on some projects in the United States our team is actively working on right

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now; and number two, multiple new development projects that we're currently analyzing for prospective acquisition, etcetera.

So two different methods of development there, but we're active. We haven't actually added any team members. We're all just working very hard to get these new opportunities.

Number two, as we mentioned on our last call, we're also advancing multiple hydro development projects not only here in our own home field here in British Columbia, also in Iceland and other places, so the team remains very active. And the photograph that you see on this slide is actually work that's being done at our Tahumming site, a beautiful site in British Columbia, that our type of run-of-river projects can work very well in and very unobtrusive.

Next, we are continuing to work on that solar opportunity we mentioned on our last call, and hoping that we can achieve success there.

And finally, we did have a blow come against us down in South America. We had planned to begin drilling this South American summer. It's going to be moved until next South America summer. Our partner elected to make that delay.

So in the meantime we and they are continuing to work on engineering and environmental permitting and other activities. So we are fully remaining busy. We're not hanging up the cleats by any stretch. We are merely delaying that program for a year.

So that's where our focus is today. We love the fact that we're developing and growing our ownership of capacity here and generating more clean power.

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There are headwinds in the business. Things like lower oil prices make it more difficult to get new projects, but we know and believe that with our skills for development and ability to step into a project and make it happen, as we've proven multiple times, we know that we will get new growth opportunities. And we'll be telling you about those as they come.

With that, Ross, I'll turn it back to you.

Ross Beaty

Thanks, John. I think I'll end it there as well, and open the call to questions now. Thank you very much, Operator.

Q&A

Operator

Thank you, sir. Ladies and gentlemen, if you do have a question, please press *, followed by 1 on your touch-tone phone. You will hear a three-tone prompt acknowledging your request. Note that questions will be taken in the order received, and should you wish to withdraw your request, please press *, followed by 2. And if you're using a speakerphone, you will need to lift the handset before pressing any keys.

And your first question will be coming from Rupert Merer of National Bank Financial. Please go ahead.

Rupert Merer — National Bank Financial

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Good morning, everyone. Wondering if you could give us a little more colour on the South Toba projects that you're looking to acquire? If you can talk a little about the economics of those projects; maybe a little colour on what permitting might be required to bring them to the point of construction, and how long could it take to get those to market from where you stand today?

Ross Beaty

Jay?

Jay Sutton

Sure. Yeah. So the South Toba projects are located under our transmission line. They're just south of the Toba inlet. We expect them all to be between 10 and 15 megawatts, so would fit under the standing offer program that BC Hydro offers.

They're very early in the development phase, so we have to do hydrology work and environmental work on them still. So I would suspect that they would be at least three to four years out, and we'd like to put them on after our Tahumming project is finished.

So right now we're looking at Tahumming starting hopefully in 2017, and then we would look at these South Toba projects to come in line after that one's completed.

Rupert Merer

Okay. Great. And how much excess liquidity does the Company have today to fund to organic growth or project acquisition?

John Carson

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Let me start by answering that by saying that we have a lot of financial dry powder that we have not tapped in the Company. We've well publicized the fact that our original credit agreement with AMP Capital Partners had a Tranche C that we never closed on. We deliberately chose not to. We felt that we could actually perhaps get a larger amount if and when we needed it.

So what we've done is we've kept that dry powder dry. It remains poised, and they're anxious to move ahead and grow that loan if we wanted to. There are other financing options that we could look at as well and will look at.

We also have had a good appreciation on our equity side. So we feel as if we have a good liquidity all around in the business, and a lot of financing capacity to tap.

Ross, anything to add to that?

Ross Beaty

No. That's good, John.

Rupert Merer

Okay. Thank you very much. I'll get back in the queue.

Ross Beaty

Thanks, Rupert.

Operator

Thank you. Your next question will be from Jonathan Lo at Raymond James. Please go ahead.

Jonathan Lo — Raymond James

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Hi. Thanks. Can you talk about potential dividend? Last quarter you said maybe you might have an update this quarter?

Ross Beaty

There's no new update. What we're looking at is something which we could roll out in 2016 and sometime, but it's still very much an active discussion item for us.

Jonathan Lo

And is there a ramp-up period for Shannon? Or once December comes commercial operation—you declare commercial operation, is that like fully running? Or is there a period of like six months or something that it's slower?

Ross Beaty

Paul?

Paul Rapp

Yeah. There's no ramp-up. We'll put all turbines in service, and we'll be fully operational at that point.

Ross Beaty

So it's late December? Sometime...

Paul Rapp

Yeah. Sometime in December. Yeah.

John Carson

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Yeah. It should be full steam out the gate.

Jonathan Lo

Okay. Great. That's all for me. Thanks.

Operator

Thank you. Your next question will be from Marin Katusa of KCR Fund. Please go ahead.

Marin Katusa — KCR Fund

Hi, guys. A quick question—a few actually quick questions. On Page 19 of your MD&A—you kind of touched on it, John—regarding the Tranche C. What would that look like? What are we talking about size-wise? And more importantly, cost of that capital? And I'm assuming that that would go either towards potentially the Canadian projects or US, but I'm wondering what that cost of capital would look like?

John Carson

Good question, Marin. You'll recall in the original facility with AMP we were in 7s, mid-7s on all-in cost of capital until we swapped it out. We swapped it up to about 8.5 percent, and that's where that sits today.

To us that was an acceptable cost of capital. And I'll remind everyone that that piece of financing accepted construction risk, so it was a little higher than the others you might see.

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Now having Shannon put into operations, everything has been—will have been significantly de-risked. So one could contend that if we were to go out and refinance or renegotiate with AMP, we could probably get to a significantly lower cost of capital than what we experienced there.

If you look around at other financings in this space for de-risked projects, i.e. operating assets, assets that are operating well, you'll see that probably you've got at least a couple of hundred basis points of headroom on that AMP piece.

So long term we think we'd have a lot of different options to look at. We enjoy the relationship with AMP, and we certainly plan to continue that. But we'll see what the future holds just in terms of when we finance.

Marin Katusa

Perfect.

John Carson

I'll remind folks that lastly that the Shannon wind farm is fully outside of that facility, and is again part of the "dry powder" that we'd have to finance from.

Marin Katusa

Okay. Now second question regarding the EcoLogo credit. With the Liberals coming in I've talked to a couple of government that expect some new infrastructure incentives or stimulus, however you want to call it. Have you guys touched base with any of the federal legislators regarding what the evolution of the EcoLogo credit will be?

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Ross Beaty

No, we haven't, Marin.

Marin Katusa

Okay. I'm just wondering if that will change Dokie 2's destiny at all.

Ross Beaty

Dokie 2's destiny is most significantly impacted by BC Hydro's needs for power, not for anything else really.

Marin Katusa

Yeah.

Ross Beaty

And right now, BC Hydro is pretty full up with development of the Site C project, for the time being anyway. And the real change in BC's energy demand is going to come from either development of the LNG business and/or advancement of other large-load sources like electric vehicles, new mines; that kind of thing.

Marin Katusa

Excellent. My last question is regarding Iceland. Looking at the expansion from 100 megawatts to 180, any update on how the tie-in is going? Or how you expect to—what's the next 12 to 18 months look like on that expansion program? And also the arbitration status?

Ross Beaty

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We have Ásgeir Margeirsson on the phone. Ásgeir, do want to give a quick run through of some of our growth projects in Iceland and how they look over the next 12 months?

Ásgeir Margeirsson — HS Orka, Chief Executive Officer, Alterra Power Corp.

Absolutely, Ross. Thank you. First of all, we have been working on bringing one of the two steps, operating expansion, close to construction. And that is a matter of a very few months now people decide to move with that one. That one is called Reykjanes 4.

Then we are working actively on some smaller hydro projects; aiming to start construction of one of these in 2016. We are just about getting ready and fully permitted for exploration drilling at the geothermal site Eldvörp, which is neighbouring the Reykjanes field, and we are working on a few other projects in geothermal and hydro that are a little bit further out in time or development status as of now.

So hopefully starting construction of two projects during next year.

Ross Beaty

Thank you, Ásgeir. And on the question regarding arbitration, the arbitration is in progress. The hearing will be next spring, and it's very much proceeding in accordance with the procedures for typical international arbitrations.

Operator

Did you have any further questions?

Marin Katusa

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Thanks, guys.

Operator

Thank you. And your next question will be coming from Mike Plaster at Salman Partners.

Please go ahead.

Mike Plaster — Salman Partners

Thanks very much. Good morning, guys. Just continuing on with HS Orka. The new 32 megawatt PPA that you announced, are able to give any more detail on that in terms of when it might get underway and how you'd sort of meet that additional supply? Is this from some of the additional construction work?

John Carson

Right. No, at this time really we're—it is subject to several conditions that need to be fulfilled first. We're really not divulging any other details; it's not relevant yet to discuss those details. So that's really just where we'll leave it for now on that contract.

Mike Plaster

Okay. Fair enough. Presumably it doesn't have any implications, though, for the arbitration proceedings at this point?

Ross Beaty

No.

Mike Plaster

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Okay. Okay. And just, I guess, back at the corporate level. Are you able to provide some detail on how your CapEx budget is shaping up overall for 2016?

John Carson

Yeah. CapEx on the non-Iceland side is really next to zero. Until and when we make a new project announcement, for example, if we move forward on the project in South America, Chile, that would indeed jump onto the screen, and we'd have all the details and good economics around that.

But moving over across the pond to Iceland, we are still completing some capital projects, which we can get into in detail with Ásgeir, if you'd like, but we've already mentioned them, for example, the new effluent system at Svarstengi and the new reinjection system at Reykjanes. Those projects will be either wrapped up right at the end of the year, or will extend a bit in 2016.

Any other larger projects, for example, the Reykjanes 4 project which Ásgeir mentioned, will likely first of all be pushed into 2017, or if they were to occur that would be subsequent after much research and analysis.

So that's what's on tap for CapEx for the Company right now.

Mike Plaster

Okay. And on the Iceland ones, are you able to sort of quantify what we might expect next year?

Ross Beaty

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I would say not yet. We are working very actively. I was in Iceland day before yesterday to meet with the team and the Board on this. It's going to be a very significant program we expect going forward for the next few years.

They'll be coming here next week.

John Carson

Right.

Ross Beaty

We'll be going back there in December, so we're really very active in that area right now. But we haven't sort of finalized anything for the market. We'll let you know as soon as we can.

John Carson

That's right. Working on it right now.

Mike Plaster

Okay. Sounds good. I'll wait for the update later then. Thanks, guys.

Operator

Thank you. Your next question will be from Aram Fuchs at Fertilemind Capital. Please go ahead.

Aram Fuchs — Fertilemind Capital

Yeah. A couple questions. John, you were able to really come in to Shannon and show value there. I'm curious with all the yieldcos now coming in with very cheap capital what you see—without

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showing your hand—what you see as a strategy to get US development? Because the power prices I see don't seem to be too attractive. So could you just talk about your strategy there?

John Carson

There's a lot of variation that we're seeing, Aram, in power prices. You're right. Generally it's a challenge to get to the kind of return levels that we want to get to. And we have, as I'd referenced earlier, made some acquisition attempts in the last year. We didn't win them all, and we were beaten by some yieldcos at various times.

You've probably seen, though, like we have that yieldcos are suddenly faced with a big question mark, and the economics and the growth stories that they had have been called into question and their stocks have tumbled significantly since about mid-year. So I think that they are now retreating to the sidelines in terms of project acquisition. That doesn't mean that everything's going to turn back to the way it was.

There are still lots of appetite amongst infrastructure investors, et cetera, who aren't public who don't have the yieldco story overhang that currently exists. So we don't think that all the competition is going to suddenly head for the exits. But I think there will be some easing from the froth or the frenzy, I guess, you'd say that we faced.

So we feel a little confident. We actually feel like going back and checking on a couple of opportunities that we pursued vigorously this year, and we'll see what that does.

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So I feel good about our ability to get projects, and I feel like the—what we faced in the market this past year that was daunting is going to subside a bit.

Aram Fuchs

Okay. Great. And then this might be for you or Ásgeir, but can you just talk about—it was a nice little surprise to have that press release by the PPA in Iceland. And it seems like the demand—there might be an uptick in demand in Iceland. And I was wondering is that true? And just talk about why that might be when you don't see demand increases in other jurisdictions?

Ross Beaty

I can address this, or maybe Ásgeir can. Actually, why don't you talk about it, Ásgeir? And we won't be able to talk about too much, given we've got this arbitration with Nordural coming, but maybe you can kind of put some context of the Icelandic market together, Ásgeir, and provide what you can.

Ásgeir Margeirsson

I will do, for sure. First of all, the, as we would call it, after-crash years post-2008 was a time of very little investment and development within the different industries and services. Now with a totally changed economic climate there is a lot of investment going on: tourism is booming; different industries are doing well; and the silicon industries are investing in Iceland; the data centres are developing also and even new ones popping up. This all needs power.

The power production industry as such has not picked up in the same pace, mainly because the time to develop a power project is much longer than to develop an industrial project. So the off-takers are quicker to develop than the producers. And this is part of the reason for there is shortage foreseen in the market. Buyers are lining up, and there is a great opportunity now to produce more and sell at higher prices than before.

This is kind of the short version of the story.

Ross Beaty

Thank you very much, Ásgeir.

Aram Fuchs

Great. Thanks a lot then.

Operator

Thank you. Ladies and gentlemen, as a reminder if you do have any additional questions, please press *, followed by 1.

And at this time, Mr. Beaty, we have no further questions registered. You may proceed.

Ross Beaty

Very good. Thank you, Operator, and again thanks to everybody who joined us today and asked questions. And if you have any further ones, by all means contact us, and we'll do our best to answer further questions over the telephone.

Thanks again for joining us, and good day.

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Operator

Thank you, sir. Ladies and gentlemen, this does conclude your conference call for today. We want to thank you again for participating and ask that you please disconnect your lines.

Have yourselves a great day.

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