
Alterra Power and Starwood Energy Begin Commercial Operations at the Shannon Wind Project

Vancouver, B.C., Canada, December 15, 2015 – Alterra Power Corp. (TSX: AXY) and Starwood Energy Group Global, LLC are pleased to announce the commencement of commercial operations and funding of tax equity for the 204 MW Shannon wind project.

The project is located in Clay County, Texas and was constructed under an EPC contract with Mortenson Construction's Wind Energy Group. General Electric Company supplied 119 wind turbines (1.71 MW output, 103m rotor diameter) for the project, and will provide operations and maintenance services for the turbines under a long-term contract. The majority of the project's output will be sold under a 13-year contract with Citigroup Energy Inc. Alterra and Starwood Energy own the sponsor interests in the project under a 50/50 affiliate partnership.

Concurrent with commercial operations, subsidiaries of Citi and Berkshire Hathaway Energy have completed a tax equity investment of \$219 million into the project of which proceeds were used primarily to retire the project's construction loan facility.

"We're excited that the Shannon project is now operating at full capacity, delivering clean power in Texas," said Jon Schintler, VP of Project Finance at Alterra. "I'd also like to thank Mortenson, GE and all of our teams for helping deliver this project on time and on budget, and welcome our new partners in the project, Citi and Berkshire Hathaway Energy."

"The completion of Shannon represents an important milestone for Starwood's growing wind franchise. We are grateful to have an excellent partner in Alterra and look forward to continued success for this project," added Alex Daberko, Vice President of Starwood Energy.

About Alterra Power Corp.

Alterra Power Corp. is a leading global renewable energy company, operating six power plants totaling 757 MW of generation capacity including the Shannon wind project, British Columbia's largest run-of-river hydro facility and largest wind farm, and two geothermal facilities in Iceland. Alterra owns a 349 MW share of this capacity, generating over 1,600 GWh of clean power annually.

Alterra is also constructing the 62 MW Jimmie Creek run-of-river hydroelectric project in British Columbia, which is expected to be in operation by Q3 2016 (51% owned by Alterra). Upon completion of Jimmie Creek, Alterra will operate seven power plants totaling 819 MW of capacity and will own a 381 MW share of this capacity, generating over 1,700 GWh of clean power annually. Alterra has an extensive portfolio of exploration and development projects and a skilled international team of developers, builders and operators to support its growth plans.

The company trades on the Toronto Stock Exchange under the symbol **AXY** and OTC in the United States as **MGMXF**.

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About Starwood Energy Group Global, LLC

Starwood Energy Group is a private investment firm based in Greenwich, CT that specializes in energy infrastructure investments. Through its general opportunity funds known as Starwood Energy Infrastructure Fund I and II, and other affiliated investment vehicles, Starwood Energy Group manages total equity commitments of more than \$2 billion. The Starwood Energy Group team brings extensive development, construction, operations, acquisition and financing expertise to its investments, with a focus on the natural gas and renewable power generation, and transmission sectors. To date, Starwood Energy Group and its affiliates have committed to energy infrastructure transactions totaling approximately \$4 billion in enterprise value. Starwood Energy Group is an affiliate of Starwood Capital Group Global, L.P. Additional information about Starwood Energy Group as well as Starwood Capital Group can be found at www.starwoodenergygroup.com.

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Cautionary Note Regarding Forward-Looking Information

Certain statements and information included in this news release are "forward-looking information" within the meaning of Canadian securities laws that involve risks and uncertainties. Forward-looking information relates to future events or future performance and reflects management's expectations and beliefs regarding future events as of the date hereof. Examples of forward-looking information in this news release include our estimates of annual generation and the date the Jimmie Creek project will achieve commercial operations. Forward-looking information is based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection. Since forward-looking information relates to future events and conditions, by its very nature it requires making assumptions and involves inherent risks and uncertainties. Alterra cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking information. Material risk factors and assumptions include the ability to complete construction on the Jimmie Creek project as well as those set out in the management's discussion and analysis section of Alterra's most recent annual and quarterly reports and in Alterra's Annual Information Form for the year ended December 31, 2014. Although Alterra has attempted to identify important factors that could cause actual actions, events or results to differ materially from forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate and undue reliance should not be placed on forward-looking information. Except as required by law, Alterra undertakes no obligation to update any forward-looking information to reflect new information, subsequent or otherwise.