



TRANSEASTERN POWER TRUST

**Transeastern Power Trust announces \$18 Million Financing led by Affiliates of Sprott;
Proceeds to be used to acquire two Solar Power Production Plants**

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

Toronto, Ontario – March 2, 2015 - Transeastern Power Trust (“**Transeastern**” or the “**Trust**”) (TSXV: TEP.UN) is pleased to announce today that it has entered into two non-binding term sheets with certain affiliates of Sprott Inc. (“**Sprott**”) for a minimum \$18 million financing, comprised of a non-brokered private placement for a minimum of \$13 million of subscription receipts (the “**Equity Offering**”) to be led by Sprott and a \$5 million secured debt facility to be provided by Sprott Resource Lending Partnership (the “**Debt Facility**”, and together with the Equity Offering, the “**Financing**”).

Proceeds from the Financing will be used for the acquisition of two photovoltaic solar power production plants in Romania (the “**Power Assets**”) and for general working capital purposes. The plants are fully operational and have a total capacity of over 16 kWp. The plants have been in production for over two years and have performed consistently over that timeframe. The Trust is currently in the process of finalizing the purchase agreements for the Power Assets and further details will be announced in due course. The gross purchase price of the Power Assets is expected to be approximately \$9,600,000, net of assumed bank debt. As partial payment for the Power Assets, it is expected that the vendors will subscribe for up to \$5.8 million of units of the Trust at a purchase price of \$1.00 per unit.

The Equity Offering will be comprised of the issuance of subscription receipts (the “**Subscription Receipts**”) at a price of \$1.00 per Subscription Receipt, each exercisable for one trust unit (a “**Trust Unit**”) and one purchase warrant (a “**Warrant**”). Each Warrant shall entitle the holder to acquire one Trust Unit for a period of 36 months from the date of issuance at an exercise price of \$1.00, subject to compliance with TSX Venture Exchange pricing policies. The Warrants will contain an acceleration provision providing that, if: (i) four months and one day have passed since the closing date, (ii) the Subscription Receipt escrow release conditions have been satisfied, and (iii) the closing price of the Trust Units on the TSX Venture Exchange is higher than \$1.50 for 20 consecutive trading days, then on the 20th consecutive trading day (the “**Acceleration Trigger Date**”) the expiry date of the Warrants will be accelerated to the date that is 10 business days after the Acceleration Trigger Date.

The issuance of the Subscription Receipts will be subject to satisfaction of due diligence, receipt of a minimum of \$13,000,000 in gross proceeds from the Equity Offering (which may include the dollar amount issued to vendors of the acquired Power Assets) and receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. The Subscription Receipts shall convert into Trust Units and Warrants and funds shall be released from escrow upon the fulfilment of certain release conditions including all conditions precedent for the

purchase of the Power Assets (other than the release of escrow funds) being satisfied or waived, receipt of funds from the Debt Facility, and other customary conditions for a subscription receipt offering.

A finder's fee will be payable to Spratt on proceeds realized from sales to investors introduced by Spratt equal to 5% cash (or units at Spratt's election), 5% Warrants and 3% Subscription Receipts. The securities issued in the Equity Offering will be subject to a four month and one day hold period. The closing of the Financing and the acquisition of the Power Assets are expected to occur by the end of March, 2015.

The Debt Facility will be in the amount of \$5 million accruing interest at a rate of 10% per annum, compounded monthly. It will have a two year term and be repayable at the Trust's option without penalty provided six months' interest has been paid. The Debt Facility will be guaranteed by the Trust's subsidiaries and will be secured against the Power Assets and each of the Trust's current assets. In connection with the Debt Facility, the Trust shall undertake to meet certain minimum working capital requirements and use of funds. The Trust will also make certain required payments in conjunction with the Debt Facility, including a \$300,000 bonus payment and an annual payment of 2% of the Debt Facility, each payable in Trust Units at a 10% discount to the market price of the Trust Units. The Debt Facility is subject to TSX Venture Exchange Approval.

Mr. J. Colter Eadie, Chief Executive Officer of Transeastern, commented: *"The acquisition of these two projects is a transformative transaction for the Trust. Upon completion, we will be more than doubling our installed power production capacity and doing so on a basis that we expect to be immediate and highly accretive to the Trust as well as dramatically lowering our payout ratio. With these acquisitions, we anticipate that approximately half of our power generation will come from solar and half from hydro. This diversification reduces our hydrology risk and dramatically increases our revenue. The vendors are agreeable to taking approximately 58% of the total consideration for the acquisition in Trust Units, a major endorsement of our strategy and evidence of confidence in the quality of the assets being acquired, our existing portfolio, and the opportunities in front of us.*

We are very pleased to welcome Spratt, a high-quality global investment firm, as a cornerstone investor and lender to the Trust. In addition to Spratt, insiders have committed to acquire at least \$500,000 as part of this financing. We are particularly pleased to be receiving this support from management and the asset vendors."

The terms of the Financing, the payment of finder's fees and the acquisition of the Power Assets is subject to TSX Venture Exchange approval.

About Transeastern

The Trust, through its direct and indirect subsidiaries in Canada, the Netherlands and Romania, has been formed to acquire interests in renewable energy assets in Romania, other countries in Europe and abroad that can provide stable cash flow to the Trust and a suitable risk-adjusted return on investment. The Trust seeks to provide investors with long-term, stable distributions, while preserving the capital value of its investment portfolio through investment, principally in a

range of operational assets, which generate electricity from renewable energy sources, with a particular focus on hydroelectric power.

The Trust intends to qualify as a “mutual fund trust” under the *Income Tax Act* (Canada) (the “**Tax Act**”). The Trust will not be a “SIFT trust” (as defined in the Tax Act), provided that the Trust complies at all times with its investment restriction which precludes the Trust from holding any “non-portfolio property” (as defined in the Tax Act).

All material information about the Trust may be found under Transeastern’s issuer profile at www.sedar.com.

For further information, please contact:

J. Colter Eadie
Chief Executive Officer and Director
Tel: 40-73-637-2724

Ashish Kapoor
Chief Financial Officer
Tel: 416.523.3350

Forward-Looking Statements

Except for statements of historical fact contained herein, the information in this press release constitutes “forward-looking information” within the meaning of Canadian securities law. Such forward-looking information may be identified by words such as “anticipates”, “plans”, “proposes”, “estimates”, “intends”, “expects”, “believes”, “may” and “will”. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include, among others: risks related to foreign operations (including various political, economic and other risks and uncertainties), the interpretation and implementation of the energy law, expropriation of property rights, political instability and bureaucracy, limited operating history, lack of profitability, high inflation rates, failure to obtain bank financing, breach of lender covenants, fluctuations in currency exchange rates, competition from other businesses, reliance on various factors (including local labour, importation of machinery and other key items and business relationships), risks related to seasonality (including adverse weather conditions, shifting weather patterns, and global warming), a shift in energy trends and demands, failure of assets to meet production estimates, a shift in energy generation in the European Union, vulnerability to fluctuations in the world market, the lack of availability of qualified management personnel and stock market volatility.

Details of the risk factors relating to Transeastern and its business are discussed under the heading “Risk Factors” in Transeastern’s final long form prospectus dated March 31, 2014, a copy of which is available on Transeastern’s SEDAR profile at www.sedar.com. Most of these factors are outside the control of the Trust. Investors are cautioned not to put undue reliance on forward-looking information. These statements speak only as of the date of this press release. Except as otherwise required by applicable securities statutes or regulation, Transeastern expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.