



## TRANSEASTERN POWER TRUST

### **Transeastern Power Trust Announces Closing of Solar Acquisitions and Debt Financing and Automatic Exercise of Subscription Receipts**

Toronto, Ontario – July 27, 2015 - Transeastern Power Trust (“**Transeastern**” or the “**Trust**”) (TSXV: TEP.UN, TEP.db) is pleased to announce that it has closed the previously announced acquisition of two photovoltaic solar power production plants in Romania (the “**Solar Companies**”) and a \$5 million secured debt facility provided by Sprott Resource Lending Partnership (the “**Debt Facility**”) and has completed the automatic exercise of previously issued subscription receipts (the “**Equity Financing**”, together with the Debt Facility, the “**Financings**”).

The aggregate purchase price (net of assumed debt) for the Solar Companies was approximately €9.0 million (approximately \$12.7 million) payable by way of approximately €4.17 million (approximately \$5.88 million) cash and the issuance of 6,812,070 units of the Trust (“**Trust Units**”) at a deemed price of \$1.00 per Trust Unit.

The plants comprising the Solar Companies are fully operational and have a total capacity of over 16MWp. The plants have been in production for over two years and have performed consistently over that timeframe.

On June 23, 2015, the Trust closed the main tranche of its subscription receipt financing at a price of \$1.00 per subscription receipt, each exercisable for one Trust Unit and one purchase warrant (a “**Warrant**”). In connection with the Equity Financing, Jacob Securities Inc. acted as agent and affiliates of Sprott Inc. were lead investors. As a result of the satisfaction of applicable escrow release conditions by the Trust, the subscription receipts have now each automatically converted into one Trust Unit and one Warrant for no additional consideration and the funds were released from escrow to the Trust and used to fund the cash portion of the purchase price for the acquisition of the Solar Companies. A total of 13,012,264 Trust Units and 5,995,194 Warrants were issued pursuant to the Equity Financing (inclusive of Trust Units issued to the vendor of the Solar Companies and issued in the earlier tranche closings of the Equity Financing).

Each Warrant entitles 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 per unit. The Warrants contain an acceleration provision providing that, if: (i) four months and one day have passed since the closing date, and (ii) 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.

In connection with the closing of the Equity Financing, to date, a total of 192,000 Trust Units and 262,442 non-transferable broker warrants, containing the same terms as the Warrants, were issued in respect of agent and finder fees.

The Trust is also pleased to announce the closing of the Debt Facility with Sprott Resource Lending Partnership. The proceeds of the Debt Facility will be used for working capital and to repay existing debts. The Debt Facility is a \$5 million facility accruing interest at a rate of 10% per annum, compounded monthly. It has a two year term and is prepayable at the Trust's option without penalty provided six months' interest has been paid. The Debt Facility is guaranteed by certain of the Trust's subsidiaries and is secured against the Trust's hydro assets. In conjunction with fees owing as part of the Debt Facility, the Trust issued 392,157 Trust Units as directed by the lender as a bonus payment. Following completion of the transactions described herein, a total of 25,647,022 Trust Units are now issued and outstanding.

In conjunction with the closing of the Financings and the acquisition of the Solar Companies, the Trust settled an outstanding secured debt by the issuance of \$1,000,000 principal amount of 7.5% convertible unsecured debentures (the "**Debentures**") and the automatic exercise of 300,000 subscription receipts. The Trust also repaid the first ranking vendor take-back mortgage owing to the vendor of the Suha hydro assets acquired in 2014 with the payment of €600,000 and the issuance of \$1,000,000 principal amount of Debentures. A total of \$13,763,000 principal amount of Debentures are now outstanding.

**Mr. J. Colter Eadie, Chief Executive Officer of Transeastern, commented:** *"The acquisition of these two projects has been transformative for the Trust. We have more than doubled our installed power production capacity on a basis that we expect to be immediately and highly accretive to the Trust and dramatically lowered our projected payout ratio. We anticipate that approximately half of our power generation will now come from solar. This diversification reduces our exposure to hydrology, and de-risks our entire operation. Moreover, we have demonstrated that we can continue to source, fund, and execute on the acquisition of operating renewable energy assets on an accretive basis.*

*We are very pleased that Sprott, a high-quality global investment firm, has joined us as a cornerstone investor and lender to the Trust, as well as the support and investment received from the asset vendors. We will continue to work hard to provide our unitholders with stable and consistent income and the potential for value creation through capital appreciation."*

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**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. 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](http://www.sedar.com).

### **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 arising from general economic conditions and adverse industry events and risks related to foreign operations (including various political, economic and other risks and uncertainties). These statements speak only as of the date of, and to the information contained in, this press release. Details of the risk factors relating to Transeastern and its business are discussed under the heading “Risks and Uncertainties” in Transeastern's annual management discussion and analysis dated April 30, 2015, a copy of which is available on Transeastern's SEDAR profile at [www.sedar.com](http://www.sedar.com). Most risk factors are outside the control of the Trust. Investors are cautioned not to put undue reliance on forward-looking information. 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.