

TORONTO, ONTARIO--(Marketwired - July 10, 2015) - Transeastern Power Trust ("Transeastern") (TSX VENTURE:TEP.UN) and [Mediterranean Resources Ltd.](#) ("Mediterranean") (NEX:MNR.H)(OTC PINK:MNRUF) are pleased to announce that they have entered into a binding letter of intent (the "Binding LOI") for the acquisition of all of the issued and outstanding common shares of Mediterranean ("Mediterranean Shares") by Transeastern (the "Acquisition").

Pursuant to the terms of the Acquisition, holders of Mediterranean Shares will receive for each Mediterranean Share: (a) 0.3 trust units in the capital of Transeastern (each, a "Transeastern Unit"); and (b) 0.3 transferable purchase warrants, with each whole warrant (each, a "Transeastern Warrant") enabling the holder thereof to acquire one whole Transeastern Unit at a price of \$1.00 per Transeastern Unit for a period of 36 months commencing on the date of issuance of the Transeastern Units (the "Exchange Ratio"). Upon completion of the Acquisition, approximately 4.65 million Transeastern Units and 4.65 million Transeastern Warrants will be issued to the holders of the Mediterranean Shares. Notwithstanding the foregoing, if the volume weighted average price of the Transeastern Units on the TSX Venture Exchange (the "TSXV") for the 10 trading days immediately prior to the closing date (the "VWAP") is less than \$0.85, the Exchange Ratio shall be adjusted on a proportionate basis based on the following formula: $\text{New Exchange Ratio} = \text{Exchange Ratio} \times \$1.00 / \text{VWAP}$. The transaction is subject to Mediterranean meeting certain minimum working capital and cash thresholds as at the closing of the Acquisition. If such thresholds are less than their prescribed amounts, Transeastern may waive such condition and the Exchange Ratio shall be reduced on a proportionate basis to take into account such shortfall.

If, after the date that is four months after the closing date, the closing price of the Transeastern Units on the TSXV, or other applicable stock exchange on which the Transeastern Units are listed, is higher than \$1.50 for 20 consecutive trading days, then on the 20th consecutive day of trading (the "Accelerated Trigger Date") the Transeastern Warrants shall be exercisable, in whole or in part until the date that is 10 trading days after the Accelerated Trigger Date, provided that Transeastern provides prior written notice to the holders.

The parties have agreed to use commercially reasonable efforts to enter into a definitive agreement that will supersede the Binding LOI by July 20, 2015. The Acquisition is expected to be completed by the end of August. The structure of the Acquisition will be determined by the parties to accommodate efficiencies for various legal structures, tax and accounting treatment, securities regulation and efficiency from a timing perspective.

The Acquisition is subject to the approval of the holders of Mediterranean Shares. The date of a shareholder meeting will be announced by Mediterranean in due course. A support and lock-up agreement was entered into by Robert Abenante, the Chief Executive Officer and a director of Mediterranean.

Completion of the Acquisition is subject to standard conditions precedent, including completion of final documentation, completion of a due diligence review by each of Transeastern and Mediterranean, receipt of final board approval from both Mediterranean and Transeastern, receipt of Mediterranean shareholder approval, and receipt of TSXV, NEX and other third party approvals. A transaction termination fee is payable by Mediterranean to Transeastern if the Acquisition is not approved by Mediterranean's shareholders or if Mediterranean determines to proceed with an alternate transaction. Approval by the unitholders of Transeastern is not required.

As a result of the sale by Mediterranean of its 80% interest in Akdeniz Resources Madencilik A.S. completed in March 2015, Mediterranean's assets consist primarily of cash of approximately \$4,000,000 and a contingent payment of \$2,000,000 from the purchaser of the Akdeniz property. The available cash resulting from the Acquisition is expected to be used by Transeastern towards the acquisition of additional renewable energy assets and for working capital purposes.

Transeastern CEO, J. Colter Eadie, remarked, "We are thrilled at this opportunity to welcome the Mediterranean shareholders to Transeastern. The acquisition will allow Transeastern to add further to our portfolio of operating renewable energy assets, providing additional value for all unitholders. We are confident that this transaction will result in a further strengthened balance sheet for Transeastern and potential value creation in the short-term through the accelerated acquisition of assets that will contribute to revenue and profit. We are optimistic that this will lead to substantial value creation for both Transeastern and Mediterranean shareholders."

Mediterranean CEO, Robert Abenante, stated "We are pleased to provide this new opportunity to the shareholders of Mediterranean. Over extensive conversations with Transeastern's management team and detailed analysis of their operating assets and acquisition pipeline, we have confidence in the execution of their vision. We are excited to join a renewable energy business with a strong management team and look forward to being a part of its growth."

The Acquisition will be classified as a change of business for Mediterranean under NEX policies and trading in the Mediterranean Shares may be halted until the requirements of the NEX are met.

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 qualifies 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).

Material information about Transeastern may be found under its issuer profile at www.sedar.com.

Material information about Mediterranean may be found under its issuer profile at 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: third party, including shareholder and exchange approvals, risks related to foreign operations (including various political, economic and other risks and uncertainties), lack of profitability, high inflation 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 "Risks and Uncertainties" in Transeastern's annual MD&A for the year ended December 31, 2014 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.

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