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NEWS RELEASE

Exchange Income Corporation Closes \$98 Million Bought Deal Financing of Common Shares

Winnipeg, Manitoba – January 4, 2017 – Exchange Income Corporation (TSX: EIF) (the “Corporation”) announced today that it has closed its previously announced bought deal public offering (the “Offering”) of 2,303,450 common shares (the “Shares”) from treasury through a syndicate of underwriters co-led by National Bank Financial Inc., Laurentian Bank Securities Inc. and CIBC World Markets Inc. and including BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Raymond James Ltd., AltaCorp Capital Inc., Canaccord Genuity Corp., and Macquarie Capital Markets Canada Ltd. (the “Underwriters”). The Shares were issued at a price of \$42.45 per Share, for gross proceeds to the Corporation of \$97,781,453. This amount includes 300,450 Shares issued at the same price for gross proceeds of \$12,754,103 on the exercise of the entire over-allotment option granted to the Underwriters. The net proceeds of the Offering will be used to repay indebtedness under the credit facilities of the Corporation which will then be available to be drawn, as required, to fund future acquisitions, including capital investments in aircraft leasing opportunities, and for general corporate purposes.

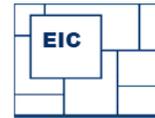
About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two sectors: aerospace & aviation services and equipment, and manufacturing. The Corporation uses a disciplined acquisition strategy to identify already profitable, well-established companies that have strong management teams, generate steady cash flow and operate in niche markets.

The Corporation currently operates two segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment consists of the operations by Perimeter Aviation, Keewatin Air, Calm Air International, Bearskin Lake Air Service, Custom Helicopters, Regional One and Provincial Aerospace. The Manufacturing segment consists of the operations by Jasper Tank, Overlanders Manufacturing, Water Blast Manufacturing, Stainless Fabrication, WesTower Communications and Ben Machine Products. For more information on the Corporation, please visit www.ExchangeIncomeCorp.ca. Additional information relating to the Corporation, including all public filings, is available on SEDAR (www.sedar.com).

Caution concerning forward-looking statements

The statements contained in this news release that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially. These uncertainties and risks include, but are not limited to, the dependence of Exchange Income Corporation on the operations and assets currently owned by it, the degree to which its subsidiaries are leveraged, the fact that cash distributions are not guaranteed and will fluctuate with the Corporation’s financial performance, dilution, restrictions on potential future growth, the risk of shareholder liability, competitive pressures (including price competition), changes in market activity, the cyclical nature of the industries, seasonality of the businesses, poor weather conditions, and foreign currency fluctuations, legal proceedings, commodity prices and raw material exposure, dependence on key personnel, and environmental, health and safety and other regulatory requirements. Further information about these and other risks and uncertainties can be found in the disclosure documents filed by Exchange Income Corporation with the securities regulatory authorities, available at www.sedar.com.



**Exchange
Income
Corporation**

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