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NEWS RELEASE

Exchange Income Corporation Announces Closing of \$100 Million Debenture Offering

WINNIPEG, Manitoba – December 20, 2017 – Exchange Income Corporation (TSX: EIF) (the “Corporation”) announced today that it has closed its previously announced bought deal offering (the “Offering”) of 5 Year 5.25% Convertible Unsecured Subordinated Debentures due December 31, 2022 (the “Debentures”). At the closing of the Offering, the Corporation issued \$100,000,000 principal amount of Debentures to the underwriters of the Offering.

The Offering was co-led by National Bank Financial Inc., Laurentian Bank Securities Inc. and CIBC World Markets Inc. and included BMO Capital Markets, RBC Capital Markets Inc., Scotiabank, TD Securities Inc., Cormark Securities Inc., Raymond James Ltd., AltaCorp Capital Inc., Canaccord Genuity Corp. and Macquarie Capital Markets Canada Ltd.

The Corporation intends to use the net proceeds of the Offering to fund the redemption of the 7 year 5.50% convertible senior unsecured debentures maturing on September 30, 2019 (the “September 2012 Debentures”) and to repay indebtedness under its credit facility. The Corporation issued a notice of redemption to the holders of the September 2012 Debentures on December 7, 2017 to redeem all issued and outstanding September 2012 Debentures on January 11, 2017 (the “Redemption Date”) at a redemption price equal to their principal amount, plus accrued and unpaid interest thereon up to, but excluding, the Redemption Date. Holders of the September 2012 Debentures have the option to convert such debentures into common shares of the Corporation prior to the Redemption Date.

The Debentures are listed for trading on the Toronto Stock Exchange under the symbol “EIF.DB.I”.

About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two sectors: aerospace and 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, operate in niche markets and have opportunities for organic growth.

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 of Overlanders, Water Blast, Stainless Fabrication, WesTower Communications, Ben Machine and Quest. 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.

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