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NEWS RELEASE

Exchange Income Corporation Announces \$85 Million Bought Deal Financing of Common Shares

WINNIPEG, Manitoba – December 12, 2016 – Exchange Income Corporation (TSX: EIF) (the “Corporation”) announced today that it has entered into an agreement to sell, on a bought deal basis, 2,003,000 common shares (the “Shares”) from treasury to a syndicate of underwriters co-led by National Bank Financial Inc., Laurentian Bank Securities Inc. and CIBC Capital Markets, and including BMO Capital Markets, RBC Capital Markets Inc., Scotiabank, TD Securities Inc., Raymond James Ltd., AltaCorp Capital Inc., Canaccord Genuity Corp., and Macquarie Capital Markets Canada Ltd. (the “Underwriters”). The Shares will be offered at a price of \$42.45 per Share, for gross proceeds to the Corporation of approximately \$85 million (the “Offering”). The net proceeds of the sale of the Shares will be used to repay indebtedness under the credit facilities of the Company 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.

The Corporation has also granted to the underwriters an over-allotment option to purchase 300,450 additional Shares, representing 15% of the size of the offering. The over-allotment option may be exercised until 30 days following the closing of the offering.

Closing of the Offering is expected to occur on or about January 4, 2017. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange of the listing of the Shares, and will be offered in each of the provinces of Canada by way of a short form prospectus.

The Shares have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to applicable exemptions from the registration requirements.

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.

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