



VIRIDIS ENERGY INC.

Viridis Energy Reports First Half & Second Quarter 2015 Financial Results *Revenue increases by 18% YTD*

Vancouver, BC – August 18, 2015 – Viridis Energy Inc. ("Viridis" or the "Company") (TSXV:VRD) (OTC:VRDSF), today reported its financial results for its first half and second quarter ended June 30, 2015. Revenues increased to \$14.5 million during the six-month period ended June 30, 2015, an increase of \$2.2 million or 18% from \$12.3 million for the comparable period in 2014. The increase in revenue for the six month period ended June 30, 2015 compared to the prior year period is primarily attributable to an increase of \$3.2 million in sales from Viridis Merchants Inc., which was partially offset by a decrease in sales from Okanagan Pellet Company Ltd. due to the implementation of the three phase plan previously reported.

For the three month period ended June 30, 2015, the Company recorded revenues of \$5.74 million compared to \$6.65 million in the second quarter of 2014, a decrease of \$906,000 or 14% from the comparable period in 2014.

The Company's incurred a gross profit loss of \$(313,000) for the six-month period ended June 30, 2015 from a profit of \$6,000 for the comparable period in 2014. The change in gross profit is primarily the result of the early operational challenges at Scotia as the plant transitioned to the new right-sized operational strategy. In addition, the Company's OPC operations underwent necessary upgrades and improvements that resulted in lower production levels relative to its fixed cost base.

Gross profit (i.e., sales less cost of sales) was a loss of \$(320,000) for the second quarter of the current year compared to a gross profit of \$243,000 for the comparable period in 2014.

EBITDA was a loss of \$1.7 million for the six month period ended June 30, 2015, compared to an EBITDA loss of \$1.5 million the same period last year.

Operating expenses increased by \$266,000 to \$2.37 million for the six-month period ended June 30, 2015 from \$2.11 million for the comparable period in 2014. Operating expenses as a percentage of revenues decreased to 16.3% for the six-month period ended June 30, 2015 from 17.1% for the comparable period last year. Operating expenses increased by \$251,000 to \$1.24 million for the three month period ended June 30, 2015 from \$990,000 for the comparable period in 2014.

For the six months ended June 30, 2015, the net loss increased by \$644,000 to \$(3.19) million from \$(2.54) million for the same six month period last year. The Company's net loss increased by \$905,000 to \$(1.87) million for the quarter ended June 30, 2015 from \$(966,000) in the comparable quarter last year.

"The losses incurred during the first half are not reflective of what we expect during the remainder of the year. We have right sized our operations at Scotia to deliver significantly improved results, and the first phase of upgrades at our OPC plant are near completion and we expect it to return to profitability in the fourth quarter," Christopher Robertson.

“Viridis Merchants continues to experience solid growth in the US residential markets. Our aggregation services and brand development sets us apart from distributors and producers in the region. As a result, we are revising revenue guidance for 2015 to \$30 million and positive EBITDA and cash flow in the fourth quarter Q4,” he added.

At June 30, 2015, the Company had cash and cash equivalents (including restricted cash) of \$658,000, a decrease of \$1.4 million from the December 31, 2014 balance. The Company’s accounts receivable were \$1.0 million, representing a DSO of 13 days. Inventory increased to \$4,659,990 in anticipation of stronger projected heating sales in the upcoming winter season. Accounts payable and accrued liabilities increased by \$844,000 to \$4.7 million at June 30, 2015 from \$3.8 million for the year ended December 31, 2014.

During to the quarter, the Okanagan Pellet Company Ltd.’s operating facility limit from Royal Bank of Canada was increased to \$1.0 million, of which OPC has utilized \$200,000 to fund the inventory build during residential off-season.

Subsequent to the quarter, Viridis Merchants Inc. entered into an agreement to establish a \$3,000,000 line of credit with a strategic supplier. This line of credit bears interest at 6% per annum and Viridis Merchants has pledged its inventory as security to the line of credit. Commencing in 2017, the line of credit requires Viridis Merchants to maintain a balance of \$100 or less for a period of 30 consecutive days, annually. Further, commencing in 2017, the line of credit balance available will be the lesser of \$3,000,000 or 100% of the value of the inventory.

Consistent with the prior fourth quarter 2015, Viridis’ common shares outstanding on March 31, 2015 totaled 13,845,190 shares. The Company’s fully diluted share totaled 14,312,690; inclusive of all options with an average exercise price of \$1.69 and warrants with an average exercise price \$3.50.

Conference Call Details:

Date/Time: Tuesday, August 18, 2015 – 5:00 p.m. (ET)
Telephone Number: 1-888-347-6492

International Dial-In Number: 1-412-902-4288
Canada Dial-In Number: 1-855-669-9657

It is recommended that participants phone-in at least 10 minutes before the call is scheduled to begin. A replay of the conference call in its entirety will be available approximately one hour after its completion via the Internet Access link above.

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About Viridis Energy Inc.

Viridis Energy Inc. (TSXV:VRD) (OTC:VRDSF) is a publicly traded, "Cleantech" manufacturer and distributor of renewable energy providing wood pellet biomass to global residential and industrial markets. Located in Vancouver, B.C., Viridis Energy Inc. operates Okanagan Pellet Company Ltd. (BC), Scotia Atlantic Biomass Company Limited (Nova Scotia) and Viridis Merchants Inc. (Delaware), with over 300,000 tons of trading and manufactured capacity on both coasts of North America. For more information on Viridis Energy Inc. please refer to the company website at www.viridisenergy.ca.

Forward-looking Statements

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company's future operations. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a continued downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties associated with the demand for biomass in Europe and Asia, (3) the risk that the Company does not execute its business plan, and the inability for the Company to complete the implementation of the Scotia Atlantic three step plan (4) inability to finance operations and growth (5) inability to retain key management and employees, (6) an increase in the number of competitors with larger resources, and (7) other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release and the Company intends to update such forward looking information in the Company's MD&A in the event that actual results differ materially from such forward-looking statements contained herein. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risks and Uncertainties" section in the Company's MD&A filed with Canadian securities regulators.

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.

***** Financial Statements Follow *****

Viridis Energy Inc.

Condensed interim consolidated statements of financial position

(Expressed in Canadian dollars)

As at June 30, 2015 and December 31, 2014

	June 30, 2015	December 31, 2014
ASSETS		
Current		
Cash and cash equivalents	\$ 467,367	\$ 1,868,014
Restricted cash	191,043	190,320
Accounts receivable	1,024,406	1,400,077
Inventory	4,659,990	1,910,772
Prepaid expenses	398,569	379,263
	6,741,375	5,748,446
Property, plant and equipment	8,966,044	9,334,553
	\$ 15,707,419	\$ 15,082,999
LIABILITIES and SHAREHOLDERS' EQUITY		
Bank overdraft	\$ 155,383	\$ -
Bank line of credit	200,000	-
Accounts payable and accrued liabilities	4,674,747	3,830,403
Deferred income	325,212	123,422
Current portion of loans payable	996,400	942,293
	6,351,742	4,896,118
Loans payable	9,418,487	7,038,017
	15,770,229	11,934,135
Shareholders' equity		
Share capital	\$ 31,550,008	\$ 31,550,008
Contributed surplus	4,141,665	4,141,665
Accumulated deficit	(34,661,101)	(31,962,485)
Accumulated other comprehensive loss	(32,994)	(7,664)
Equity attributable to shareholders of the company	997,578	3,721,524
Non-controlling interest	(1,060,388)	(572,660)
	(62,810)	3,148,864
	\$ 15,707,419	\$ 15,082,999

Viridis Energy Inc.

Condensed interim consolidated statements of loss and total comprehensive loss (Expressed in Canadian dollars, except number of shares and per share amounts)

For the three and six months ended June 30, 2015 and 2014

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Sales	\$ 5,743,644	\$ 6,649,275	\$ 14,508,778	\$ 12,291,002
Costs of sales	(6,063,208)	(6,406,158)	(14,822,065)	(12,284,765)
Gross Profit	(319,564)	243,117	(313,287)	6,237
Operating expenses				
Selling and marketing	(137,213)	(110,403)	(347,275)	(234,913)
General and administrative	(1,103,992)	(879,635)	(2,024,574)	(1,871,394)
	(1,241,205)	(990,038)	(2,371,849)	(2,106,307)
Loss before other items	(1,560,769)	(746,921)	(2,685,136)	(2,100,070)
Other items				
Foreign exchange gain (loss)	(32,997)	(13,636)	27,221	(18,503)
Loss on disposal of property plant and equipment	-	-	(5,994)	-
Finance expense	(276,618)	(184,100)	(506,456)	(361,395)
Accretion expense	-	(20,880)	(15,979)	(62,563)
	(309,615)	(218,616)	(501,208)	(442,461)
Loss before income taxes	(1,870,384)	(965,537)	(3,186,344)	(2,542,531)
Income tax	-	-	-	-
Net loss	\$(1,870,384)	\$ (965,537)	\$(3,186,344)	\$ (2,542,531)
Net loss attributed to:				
Shareholders of the company	\$ (1,685,303)	\$ (965,537)	\$ (2,698,616)	\$ (2,542,531)
Non-controlling interest	(185,081)	-	(487,728)	-
Net loss	\$(1,870,384)	\$ (965,537)	\$(3,186,344)	\$ (2,542,531)
Net loss per share				
Basic and diluted	\$ (0.12)	\$ (0.07)	\$ (0.19)	\$ (0.20)
Weighted average number of common shares outstanding				
Basic and diluted	13,845,190	13,847,052	13,845,190	12,658,960