

Viridis Energy Reports Record Revenue with 169% Year-Over-Year Increase in Second Quarter 2014

*Second quarter revenue increases 18% over first quarter 2014
First six month revenue grows 156% over prior year period*

Vancouver, BC – August 19, 2014 – Viridis Energy Inc. ("Viridis" or the "Company") (TSXV: VRD) (OTC: VRDSF), today reported financial results for its second quarter ended June 30, 2014. The Company delivered sequential growth in the second quarter of 18% over first quarter and grew revenue 169% compared to the second quarter of 2013.

Second Quarter Developments:

- Second quarter financial metrics improved sequentially over first quarter 2014. Revenue increased 18%, gross profit rose 162%, and net losses were reduced by approximately 39%. Production at the Company's Nova Scotia plant, Scotia Atlantic Biomass ("Scotia") increased 63% over first quarter revenue, as it works toward operating at full capacity.
- Scotia was awarded a \$517,250 Capital Investment Incentive from the Government of Nova Scotia for plant equipment purchases.
- Viridis entered into a strategic partnership with Halifax Grain Elevator Limited ("Halifax Grain"), in which Halifax Grain intends to invest up to \$1 million in Scotia Atlantic Biomass Ltd. Halifax Grain owns 365 storage silos with the capacity to store over 140,000 tons of bulk material at the Port of Halifax.
- Viridis Merchants increased revenue to \$2.2 million during first six months of 2014 compared to \$329,000 for same period in 2013.
- The Company completed a share consolidation in which it issued one new share for 10 old shares. As a result, the Company's shares outstanding were reduced from 138,451,883 to 13,845,190. In addition, outstanding options and warrants to purchase a total of 10,990,486 additional shares of common stock were reduced to 1,099,048.

The Company generated \$6.6 million in revenue during its second quarter 2014, an increase of 169% when compared to the second quarter 2013 revenue of \$2.5 million and an 18% sequential increase from the first quarter 2014 revenue of \$5.6 million. The improved revenue reflects the ramp-up of production from the Company's Scotia plant, which generated revenue of \$3.5 million, up from \$2.2 million in the first quarter 2014. (Scotia renewed operations in September 2013). It was also positively impacted by an increase in revenue from Viridis Merchants (Canada) Ltd., which generated \$964,000 in revenue, an increase of \$850,000 from the prior year second quarter and a \$122,000 increase over the first quarter 2014. The Company's West Kelowna, British Columbia plant, Okanagan Pellet Company Ltd. ("OPC"), generated revenue of \$2.1 million, which was lower than the prior year second quarter and first quarter 2014 due to an unprecedented trucking strike in Vancouver, British Columbia that ended late April. Consequently, the Company resumed delivery late in the second quarter and expects to catch up on orders during the third quarter.

The Company generated gross profit during the second quarter 2014 of \$868,000 or 13% of revenue (gross margin) compared to \$465,000 or 19% gross margin during the prior year second quarter and \$332,000 or 6% gross margin during the first quarter of 2014. The year-to-year quarterly decrease in gross margin reflects the addition of the Company's Scotia operations, which is currently operating below full production capacity. As Scotia progresses towards full production capacity, the Company anticipates gross margin will significantly improve. On a non-IFRS basis – excluding depreciation – gross profit for the second quarter 2014 was \$1.2 million, generating an 18% gross margin compared to \$606,000 or 25% of revenue for the same period in 2013.

Viridis incurred a loss from operations of \$(747,000) during the second quarter 2014, which compares to a loss from operations of \$(365,000) for the same period in 2013. The increased loss from operations in the current year second quarter reflects the incremental costs of Scotia's full operations in the current year – Scotia resumed production in September 2013. This is also a 45% improvement from the loss from operations incurred in the first quarter 2014 of \$(1.4) million.

Viridis reported a comprehensive net loss of \$(966,000) or \$(0.07) per basic share for the second quarter 2014 compared to a comprehensive net loss of \$(491,000) or \$(0.05) per basic share for the second quarter 2013 period and a comprehensive net loss of \$(1.6) million or \$(0.10) per basic share for the first quarter 2014. The sequential improvement from the first quarter 2014 was due to increased production at the Company's Scotia plant and revenue growth at Viridis Merchants (Canada) Ltd. These improvements were partially offset by lower revenue experienced by OPC as a result of the six week, trucking strike, which has been resolved and product has resumed shipping late in the second quarter.

Operating expenses for the three months ended June 30, 2014 increased to \$1.6 million from \$829,000 in the comparable period in 2013, but slightly lower than the first quarter 2014 level of \$1.7 million. Operating costs associated with the inclusion of Scotia in 2014 represented approximately \$873,000 (of which \$608,000 was freight charges) and Viridis Merchants Inc., the Company's newly formed brokerage entity located in the United States, represented approximately \$74,000 of the year-over-year increase.

Finance and accretion expense totaled \$205,000 in the second quarter 2014 compared to \$125,000 in the same period of 2013 and \$219,000 in the first quarter of 2014. The year-over-year increase was predominately due to a \$95,000 increase in finance expense as a result of interest charges on equipment leases on Scotia's capital assets.

“Over the last few quarters, Viridis' resiliency has been tested. As 2014 began, we were still adapting to the bankruptcy of the railroad that serviced our West Kelowna plant by reverting to trucking and containerizing our pellets to focus on the European market where freight costs fit our economic model. This was followed by one of the worst winters in recorded history that, for a brief period, blocked transportation at our Nova Scotia plant. During the same period, we had to deal with an unprecedented trucking strike at the Port of Vancouver, to which we responded by building inventory for eventual delivery on our contracts, the bulk of which will be shipped during the third quarter. We have persevered through these impediments, reported a record

revenue quarter, and have resumed our growth course,” commented Christopher Robertson, Viridis’ CEO. “While segments of our business are subject to seasonality, we are very pleased with the second quarter revenue growth, as it is an off-season quarter. Our third quarter is proving to be the ‘catch-up’ quarter resulting from the issues we dealt with through the first five months of the year. Our revenue forecast for the year remains in the range of \$30-\$35 million, and we continue to project exiting the year at a profitable run-rate.”

Results for the Six Month Period:

The Company generated revenue of \$12.3 million during the 2014 period, an increase of \$7.5 million or 156% over the prior year six month period. The Company generated over \$1.2 million in gross profit during the six-month period of 2014, compared to \$800,000 during the same period of 2013. The Company incurred a comprehensive net loss of \$(2.5) million or \$(0.20) per basic share compared to a loss of \$(1.2) million or \$(0.15) per basic share.

At June 30, 2014, the Company reported cash and cash equivalents of \$939,000 a decrease of \$2.0 million from the March 31, 2014 balance. The reduction in cash was primarily due to working capital needed to finance inventory and accounts receivable increases of \$1.4 million and \$450,000, respectively, and certain investments in operations. The Company’s accounts receivable were \$1.7 million, representing DSO of 23 days, and inventory was \$3.4 million. On June 30, 2014, Viridis had short-term debt of \$950,000 (current portion of long-term debt) and long term debt of \$5.8 million. The Company’s shareholder equity totaled \$4.7 million on June 30, 2014.

Consistent with the prior first quarter 2014, Viridis common shares outstanding on June 30, 2014 totaled 13.8 million shares. The Company’s fully diluted share count totals 15.1 million, inclusive of all options (average exercise price of \$2.64) and warrants (average exercise price \$3.90). At second quarter end, the Company has tax loss carry forwards of approximately \$19.4 million, which expire between 2029 and 2033.

Conference Call Details:

Date/Time:	Wednesday, August 20, 2014 – 10:30 a.m. (ET)
Telephone Number:	877-870-4263
International Dial-In Number:	412-317-0790
Canada Dial-In Number:	855-669-9657
Internet Access:	http://www.videonewswire.com/event.asp?id=100249 or www.viridisenergy.ca

It is recommended that participants phone-in at least 15 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 waste biomass fuel to global residential and industrial markets. Located in Vancouver, B.C., Viridis Energy Inc. operates Viridis Merchants (Canada) Ltd., Okanagan Pellet Company Ltd., Scotia Atlantic Biomass Company Limited and Viridis Merchants Inc., thus providing the company with vertical integration for distribution and manufacturing as well as coast to coast national presence. 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 biofuels, (3) the risk that the Company does not execute its business 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.

Consolidated statements of financial position

(Expressed in Canadian dollars)

As at June 30, 2014 and December 31, 2013

	30-Jun-14 (Unaudited)	31-Dec-13
ASSETS		
Current		
Cash and cash equivalents	\$ 938,703	\$ 1,594,246
Accounts receivable	1,702,327	1,275,959
Inventory	3,356,771	926,933
Prepaid expenses	436,592	546,917
Total Current Assets	6,434,393	4,344,055
Property, plant and equipment	9,383,136	9,045,376
TOTAL ASSETS	\$ 15,817,529	\$ 13,389,431
LIABILITIES and SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 4,454,778	\$ 3,329,868
Deferred income	13,724	196,595
Due to related parties	-	44,373
Current portion of loans payable	947,617	113,529
Total Current Liabilities	5,416,119	3,684,365
Loans payable	5,755,556	6,198,921
Total Liabilities	11,171,675	9,883,286
Shareholders' equity		
Share capital	\$ 31,579,818	\$ 27,322,578
Contributed surplus	2,871,376	3,446,376
Accumulated deficit	(29,805,340)	(27,262,809)
TOTAL SHAREHOLDERS' EQUITY	4,645,854	3,506,145
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	\$ 15,817,529	\$ 13,389,431

Viridis Energy Inc.
Consolidated statement 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, 2014 and 2013

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Sales	\$ 6,649,275	\$ 2,473,296	\$ 12,291,002	\$ 4,793,148
Cost of sales	5,780,944	2,008,698	11,090,979	3,992,183
Gross profit	868,331	464,598	1,200,023	800,965
Operating expenses				
Selling and marketing	110,403	39,405	234,913	85,242
Freight-out	625,214	4,436	1,193,786	12,645
General and administrative	879,635	785,368	1,871,394	1,628,251
	1,615,252	829,209	3,300,093	1,726,138
Loss before other items	(746,921)	(364,611)	(2,100,070)	(925,173)
Other items				
Foreign exchange loss	(13,636)	(4,424)	(18,503)	(6,688)
Disposal of property plant and equipment	-	2,821	-	2,821
Finance expense	(184,100)	(88,531)	(361,395)	(255,083)
Accretion expense	(20,880)	(36,473)	(62,563)	(59,675)
	(218,616)	(126,607)	(442,461)	(318,625)
Loss before income taxes recovery	(965,537)	(491,218)	(2,542,531)	(1,243,798)
Income taxes recovered	-	-	-	-
Net loss and total comprehensive loss	\$ (965,537)	\$ (491,218)	\$ (2,542,531)	\$(1,243,798)
Net loss per share				
Basic and diluted	\$ (0.07)	\$ (0.05)	\$ (0.20)	\$ (0.15)
Weighted average number of common shares outstanding basic and diluted	13,847,052	9,968,350	12,658,960	8,064,695