



VIRIDIS ENERGY INC.

Viridis Energy Reports Full Year and Fourth Quarter 2013 Financial

Company Reports 46% Year-Over-Year and 147% Quarter-Over-Quarter Revenue Growth

Vancouver, BC – April 16, 2014 – Viridis Energy Inc. ("Viridis" or the "Company") (TSXV: VRD) (OTC: VRDSF), a "Cleantech" manufacturer and distributor of renewable energy providing waste biomass fuel to global residential and industrial markets, today reported financial results for its full year and fourth quarter ended December 31, 2013. Viridis reported full year 2013 revenues of \$13.9 million, an increase of \$4.4 million or 46% over 2012 of \$9.5 million. The year-over-year improvement reflects strengthened market dynamics, including improved pricing, increased demand in Europe, and the achievement of production capacity goals at the Company's Okanagan Pellet plant, coupled with the addition of production from the Company's new Scotia Atlantic Biomass facilities.

Viridis anticipates continued momentum in 2014 due to the significant developments achieved in 2013:

Scotia Atlantic:

- Commenced wood pellet production at end of third quarter 2013 at its 120,000 ton capacity, facility, which is expected to reach full production capacity later this year;
- Entered into a worldwide marketing agreement with Ekman & Co AB., one of the world's oldest trading houses and wholesalers of forest products, for its entire wood pellet production over a 24 month period, which expires August 2015;

Viridis Merchants

- In its first month of launch (December 2013), arranged its first transaction of approximately 30,000 tons of wood pellets from a Southeastern U.S. producer, which are to be delivered over a 12-month period to customers in Europe, generating \$8 million in incremental revenue for Viridis during the delivery period and subsequent to year end an additional 12,000 tons generating over \$2.5 million was announced;

Viridis Energy

- Restructured \$5.7 million of debt with Cornwall Investments LLC into two new facilities and, subsequent to year end, refinanced one of the two facilities with the Royal Bank of Canada at a more favorable interest rate;
- During the second quarter 2013, secured \$5 million in a private placement of new equity.

"We have delivered four sequential growth quarters during 2013 and the company is well positioned for a breakout year in 2014," commented Christopher Robertson, Viridis' CEO. "Our Okanagan plant achieved full capacity with record margins, and in September 2013 we commenced shipments from our new plant in Nova Scotia, which we anticipate will reach full operating capacity in the second half of 2014. Additionally, we have established an important

avenue for additional growth, Viridis Merchants, enabling us to accommodate commercial orders incremental to our own production capacity.”

The Company reported 2013 gross profit of \$2.0 million or 14.4% of revenue, which compares to gross profit of \$1.1 million or 11.7% of revenue in 2012. Management expects Scotia’s gross margin to improve as its volume builds towards full capacity.

For the full year ended December 31, 2013, Viridis reported a comprehensive loss of \$(3.3) million or \$(0.03) per basic share. This compares to a comprehensive loss of \$(9.5) million or \$(0.19) per basic share in 2012, which included \$5.8 million write downs of impairment of intangible assets and non-refundable deposit. The Company reported a loss from operations of \$(2.7) million in 2013 compared to a loss from operations of \$(2.9) million in the prior year.

Full year 2013 operating expenses increased to \$4.7 million from \$4.0 million in 2012; however, as a percent of revenue, these costs were down significantly, decreasing from 41.9% in 2012 to 33.7% in 2013. The year-over-year increases in operating expenses were primarily attributed to the costs of resuming production and full staffing of Scotia’s operations.

During the fourth quarter 2013, Viridis generated revenue of \$6.1 million, an increase of 147% compared to \$2.5 million in the fourth quarter 2012 and a 100% improvement over the third quarter of 2013. The Company expects revenue growth to continue as Scotia moves closer to production capacity. Viridis reported a comprehensive loss of \$(1.3) million or \$(0.01) per basic share for the fourth quarter 2013, compared to a comprehensive loss of \$(6.7) million or \$(0.19) per basic share for the same period in 2012, which included an impairment of intangible assets of \$5.5 million and a write down of nonrefundable deposit of \$250,000. This also compares to a comprehensive loss of \$(712,000) or \$(0.01) per basic and diluted share for third quarter 2013.

The Company reported a gross profit of \$615,000 for the fourth quarter of 2013 compared to \$409,000 for the same period in 2012 and \$595,000 for third quarter of this year. The fourth quarter 2013 gross margin was negatively impacted by the commencement of the Scotia facility that has operated below full capacity during its startup phase, which was offset by strong performance from the Okanagan plant. Operating loss for 2013 fourth quarter totaled \$(1.2) million versus \$(860,000) for the prior year fourth quarter and \$(602,000) for the third quarter 2013.

At December 31, 2013, the Company reported cash and cash equivalents of \$1.6 million, accounts receivable of \$1.3 million, and inventory of \$927,000. The Company’s current ratio stood was 1.2x at the year-end 2013, a significant increase over the prior year level of 0.2x. At year-end, Viridis had short-term debt of \$158,000 and long term debt of \$6.2 million as a result of the debt restructuring completed during the first quarter of 2013, extending the maturity of \$5.7 million of formerly short term liabilities. The Company’s shareholder equity totaled \$3.5 million on December 31, 2013, an increase of \$2.1 million over year-end 2012.

On December 31, 2013, Viridis common stock outstanding totaled 114.3 million shares, compared to 59.8 million at year-end 2012. The increase in the Company’s share count was primarily due to the \$5 million, non-brokered, private placement that was closed during second quarter 2013 adding 50 million shares of common stock. Subsequent to year-end, on March 31, 2014, Cornwall Investments LLC (“Cornwall”) exercised 25,000,000 of its Viridis common share purchase warrants at a price of \$0.15 per share, generating proceeds of \$3.75 million. Consequently, as of today, Viridis outstanding shares total 138,451,883 with fully diluted shares

of 149,527,369, inclusive of all options (average exercise price of \$0.27) and warrants (average exercise price \$0.22). As of December 31, 2013, the Company has tax loss carry forwards of approximately C\$17.5 million, which expire between 2029 and 2033.

“According to industry sources, the annual, global demand for wood pellets is expected to more than double over the next 7 years to \$9 billion due to a combination of increased use, regulatory mandates and economics. With current demand exceeding current supply, we have made a number of important strategic moves over the past three years to position ourselves to become an important source of renewable energy. Logistically, we have located our manufacturing on both North American coasts, providing us with solid, stable supply of fiber feedstock and optimum port access to ship into the rapidly growing international markets. We have diversified our business model to not only supply the high-end, residential heat market with a premium white pellet, but also to supply the industrial market, both on a global scale. We have successfully completed two acquisitions and have a proven track record for quick, successful turnarounds. Our Scotia Atlantic acquisition will triple our annual in-house production over the next year. We also now have the ability to further supplement our production with cooperative transactions through Viridis Merchants,” commented Robert Aaron, Viridis newly appointed chairman.

“We have brought together a management team with a long industry track record, supported by a seasoned board of directors, who have identified opportunities to increase Viridis’ current supply of wood pellets from an aggregated 220,000 tons to over 1 million tons by the end of 2015. Having recently fortified our balance sheet, we are in a strong position to act on opportunities to grow through expansion of existing facilities, production aggregation via Viridis Merchants or tuck-in acquisitions.”

Investor Contact:

Yvonne L. Zappulla
Managing Director
Grannus Financial Advisors, Inc.
212-681-4108
Yvonne@GrannusFinancial.com

Company Contact:

Michele Rebiere
Chief Financial Officer
Viridis Energy Inc
905-847-5226
investorinfo@viridisenergy.ca

About Viridis Energy Inc.

Viridis Energy Inc. (TSXV: VRD) is a publicly traded, "Cleantech" alternative energy company specializing in the agricultural and wood waste biomass. Located in Vancouver, B.C., Viridis Energy Inc. operates Viridis Merchants Inc. and Viridis Merchants (Canada) Ltd., Okanagan Pellet Company Inc. and Scotia Atlantic Biomass Company Limited, 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.

Except for “per share” amounts, monetary and share information contained in this news release is rounded to the nearest thousandth.

Forward-looking Statements:

Certain of the statements made in this news release may contain forward-looking statements within the meaning of the United States Securities Exchange Act of 1934 and forward-looking information within the meaning of applicable Canadian

securities law. Forward-looking statements and forward-looking information include, but are not limited to, statements or information with respect to anticipated future revenue growth and gross margin increases, the expected timing for achieving profitability, anticipated future production levels and the projected production capabilities of the recently acquired manufacturing capacity in Nova Scotia. 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) a change in the European mandate for renewable energy, (3) a revision to the UK's DECC renewable obligation, (4) a sharp increase in ocean freight costs, (5) the inherent uncertainties associated with the demand for biofuels, (6) the risk that the Company does not execute its business plan, (7) inability to finance operations and growth (8) inability to finance the start-up operations in Nova Scotia in a timely manner (9) inability to retain key management and employees, (10) an increase in the number of competitors with larger resources, and (11) other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release and the Company does not intend to update such forward looking information unless required to do so by applicable laws. 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)

	December 31, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,594,246	\$ 413,570
Accounts receivable	1,275,959	753,208
Inventory	926,933	594,012
Prepaid expenses	546,917	225,761
Due from related parties	-	54,000
Total Current Assets	4,344,055	2,040,551
Property, plant and equipment	9,045,376	8,264,488
Total Assets	\$ 13,389,431	\$ 10,305,039
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Bank line of credit	\$ -	\$ 2,992,832
Accounts payable and accrued liabilities	3,329,868	2,924,127
Deferred income	196,595	157,058
Short term loan payable	-	2,606,875
Due to related parties	44,373	164,670
Current portion of loans payable	113,529	19,646
Total Current Liabilities	3,684,365	8,865,208
Long-term Liabilities:		
Loan payables	6,198,921	-
Total Liabilities	9,883,286	8,865,208
Shareholders' Equity (deficit)		
Share capital	\$ 27,322,578	\$ 22,537,578
Contributed surplus	3,446,376	2,861,376
Accumulated deficit	(27,262,809)	(23,959,123)
Total Stockholders' Equity	3,506,145	1,439,831
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,389,431	\$ 10,305,039

VIRIDIS ENERGY INC.
CONSOLIDATED STATEMENTS OF LOSS AND TOTAL COMPREHENSIVE LOSS
(Expressed in Canadian Dollars, except number of shares and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Sales	\$ 6,103,087	\$ 2,479,411	\$ 13,918,816	\$ 9,548,177
Cost of Sales	<u>5,488,251</u>	<u>2,070,750</u>	<u>11,907,838</u>	<u>8,435,305</u>
Gross profit	<u>614,836</u>	<u>408,661</u>	<u>2,010,978</u>	<u>1,112,872</u>
Operating expenses:				
Selling and marketing	99,692	49,904	242,826	167,385
Freight-out	393,121	41,466	451,375	167,492
General and administrative	741,806	401,717	3,463,857	2,891,816
Maintenance and start-up cost for Scotia facility	<u>534,586</u>	<u>775,999</u>	<u>534,586</u>	<u>775,999</u>
Total operating expenses	<u>1,769,205</u>	<u>1,269,086</u>	<u>4,692,644</u>	<u>4,002,692</u>
Loss before other items	(1,154,369)	(860,425)	(2,681,666)	(2,889,820)
Other items:				
Foreign exchange loss	(944)	(11,318)	(1,742)	(19,712)
Disposal of property, plant and equipment	-	-	2,821	-
Impairment of intangible assets and goodwill	-	(5,541,990)	-	(5,541,990)
Write-down of non- refundable deposit	-	(250,000)	-	(250,000)
Finance expense	(151,193)	(107,232)	(484,174)	(751,858)
Accretion expense	<u>(41,613)</u>	<u>-</u>	<u>(138,925)</u>	<u>(86,668)</u>
	<u>(193,750)</u>	<u>(5,910,540)</u>	<u>(622,020)</u>	<u>(6,650,228)</u>
Loss before income taxes recovered	(1,348,119)	(6,770,965)	(3,303,686)	(9,540,048)
Income taxes recovered	-	-	-	-
Net loss and total comprehensive loss	<u>\$ (1,348,119)</u>	<u>\$ (6,770,965)</u>	<u>\$ (3,303,686)</u>	<u>\$ (9,540,048)</u>
Loss per share Basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.19)</u>	<u>\$ (0.03)</u>	<u>\$ (0.19)</u>
Weighted average number of common shares outstanding Basic and diluted	<u>114,298,883</u>	<u>49,861,479</u>	<u>97,611,212</u>	<u>49,861,479</u>