



ONENERGY INC. REPORTS SECOND QUARTER 2014 RESULTS

TORONTO, CANADA (August 14, 2014) – ONEnergy Inc. ("ONEnergy" or the "Corporation") (TSXV: OEG and OEG.A), a growing provider of energy management products and services to residential, commercial and industrial customers in Canada and the U.S., has released its interim operating and financial results for the second quarter of fiscal 2014 ended June 30, 2014 ("Q2 2014"). All amounts are in Canadian dollars unless otherwise noted.

As previously reported the Corporation completed a change-of-business transaction in July 2013 by acquiring Sunwave Gas & Power Inc. ("Gas & Power"). In addition, the Corporation completed its acquisition of The Home Comfort Group Inc. ("Home Comfort") in April 2014. The financial and operating highlights in Q2 2014 reflect the Gas & Power and Home Comfort operations. There were no business activities in the comparative period in 2013.

Financial highlights

The Corporation generated revenue of \$1.719 million in Q2 2014, primarily through the sale of natural gas and electricity to customers in Ontario, electricity to customers in Connecticut and equipment rentals to customers in Ontario. The Corporation had operations in Connecticut and Pennsylvania during Q2 2014 as part of its planned expansion into selected northeast U.S. markets, and expects more significant contributions from this and other U.S. markets in the near term. The acquisition of HCG contributed \$0.6 million in revenue for Q2 2014.

Operating expenses, including selling costs were \$2.708 million. Included in this total are continuing litigation-related costs. Net loss in Q2 2014 was \$2.587 million or \$0.012 per share.

Cash, cash equivalents and restricted cash as at June 30, 2014 totaled \$13.462 million.

Operating highlights

Year to date ONEnergy has achieved several key strategic milestones including:

- In February 2014, ONEnergy received its electric supplier license in Pennsylvania from the Pennsylvania Public Utilities Commission. The Corporation began electricity sales in Pennsylvania during the second quarter of fiscal 2014.
- In June 2014, ONEnergy was granted an electric supplier license in Massachusetts and in July 2014 it was granted an electric supplier license in Ohio.
- As part of its execution of its expansion into key northeast U.S. electricity markets, ONEnergy has pending electricity supplier license applications with regulators in New York.

- In April 2014, ONEnergy completed the acquisition of The Home Comfort Group Inc., a well-established leader in the residential HVAC rentals, sales and installation business. Home Comfort provides heating and air conditioning equipment, tankless and conventional hot water systems and other in-home and commercial appliances, products and services in Canada, providing ONEnergy with long-lived, stable annuity-type cash flows and "sticky" customer relationships. Home Comfort has a growing customer base in multiple Canadian provinces, and today serves over 5,000 customers.
- During the second quarter the Corporation launched a commercial energy efficiency business, which today is a provider of high efficiency LED lighting retrofits and upgrades to commercial customers in Canada. This business was launched in partnership with AVACOS Clean Energy Inc., a Toronto, Ontario-based provider of i) energy efficient lighting retrofits, ii) solar energy development, design and installation, and iii) energy saving products and services for building envelopes.

"ONEnergy's expansion continues to progress well," said Mark Lewis, Chief Executive Officer of ONEnergy. "The addition of The Home Comfort Group in April significantly increased both our customer base and cross-selling opportunities in the residential market for us. Further, the launch of our commercial energy efficiency offering during the quarter provides our customers with a compelling value proposition while providing ONEnergy with significant revenue growth and margin potential – a true win-win. We are excited about this business, and see it as an important part of our energy management offering to commercial and industrial customers."

Other matters

The board of directors and management team of ONEnergy continue to vigorously pursue claims against certain of the Corporation's former directors and officers in connection with the payment of approximately \$15.7-million of "restructuring awards," paid to the directors and officers from the net proceeds of approximately \$64-million realized by the Corporation on the sale of its spectrum license in 2009.

As part of ongoing efforts to resolve this litigation, all parties involved in this litigation participated in a mediation process on July 30 and 31, 2014, which was led by the Honorable George Adams Q.C. as mediator. The mediation did not result in a settlement offer acceptable to the Corporation. Discussions remain ongoing with counsel to the various participants, however. Should an acceptable settlement not be reached, the Corporation expects that the matter will be brought to trial in late 2014 or early 2015, with a pre-trial hearing currently scheduled for September 4, 2014.

For further information on ONEnergy's financial results, please review the Corporation's condensed consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the second quarter of fiscal 2014, which are available in the SEDAR database (www.sedar.com) or on the Corporation's website at www.onenergyinc.com.

About ONEnergy Inc.

ONEnergy is pursuing a strategy of building an integrated energy management firm for both business and residential customers. The Corporation operates its business under three primary brand names: Sunwave Gas & Power™ (natural gas and

electricity for both residential and commercial customers), Sunwave Home Comfort™ (residential HVAC equipment sales and rentals) and Sunwave for Business™ (commercial energy efficiency equipment and services). The Sunwave umbrella brand is a key part of the Corporation's strategy of building a unified, recognized brand in the marketplace.

ONEnergy shares are listed on the TSX Venture Exchange under the symbols "OEG" for Multiple Voting Shares and "OEG.A" for Subordinate Voting Shares. ONEnergy's website may be found at www.onenergyinc.com.

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