



ONENERGY INC. REPORTS FIRST QUARTER 2014 RESULTS

TORONTO, CANADA (May 15, 2014) – ONEnergy Inc. (“ONEnergy” or the “Corporation”) (TSXV: OEG and OEG.A), a growing provider of innovative energy products to residential, industrial and commercial customers in Ontario and the U.S., has released its interim operating and financial results for the first quarter of fiscal 2014 ended March 31, 2014 (“Q1 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. (“Sunwave”). The financial and operating highlights in Q1 2014 reflect Sunwave's operations. There were no business activities in the comparative period in 2013.

Financial highlights

The Corporation generated revenue of \$1.051 million in Q1 2014, primarily through the sale of natural gas and electricity to customers in Ontario. The Corporation initiated operations in Connecticut in March 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.

Operating expenses, including selling costs were \$1.924 million. Included in this total are continuing litigation-related costs. Net loss in Q1 2014 was \$1.375 million or \$0.006 per share.

Cash and cash equivalents as at March 31, 2014, totaled \$17.830 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
- 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, Massachusetts, and Ohio
- In April 2014, ONEnergy completed the acquisition of The Home Comfort Group (“HCG”) a well-established leader in the residential HVAC rentals, sales and installation business and 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. HCG has a growing customer base in multiple Canadian provinces, and today serves over 4,000 customers

"We continue to make progress on all fronts," said Mark Lewis, Chief Executive Officer of ONEnergy. "Our initial sales in Connecticut have exceeded our expectations, we have launched operations in Pennsylvania and we are well on our way to adding additional U.S. markets in the coming quarters. Our Canadian sales are tracking well, and the addition of HCG adds further depth to our product offering in Canada, and creates a much more valuable and compelling solution for our customers. We expect to migrate the HCG product and service offering to our US markets in the near future, which we anticipate will produce stronger customer retention, and higher margins on a per customer basis."

Strategic Focus

ONEnergy continues to strengthen and grow the foundation of its energy retailing business through the organic growth of its Canadian customer base, and its ongoing expansion into the northeast US electricity markets. To augment the organic growth of its customer base, the Corporation expects to further expand its business through the targeted, prudent acquisition of existing energy services businesses in key markets. The Corporation has a robust pipeline of potential acquisitions, and is currently engaged in discussions with the management of multiple potential acquisition targets.

In addition to growing its customer base, ONEnergy is focused on expanding the value proposition offered to customers by offering ancillary services and products as part of their service package. The retail energy markets are experiencing a paradigm shift where customers are expecting more from their service providers. ONEnergy is at the forefront of this shift and is providing its customers with an increasingly comprehensive menu of value-added services designed to enhance the customer experience, increasing the margin derived from each customer and improving customer retention.

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. Significant progress has been made year to date (see press release dated May 5, 2014) and the Corporation expects that the matter will be brought to trial in late 2014 or early 2015.

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 first 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, through Sunwave (www.gosunwave.com), is a provider of innovative energy products to residential, industrial and commercial customers. ONEnergy provides homeowners and business with competitively priced conventional and environmentally-friendly green natural gas and electricity in Ontario and conventional and green electricity in Connecticut and Pennsylvania. Through its Home Comfort division, the Corporation provides residential heating, ventilation, & air conditioning rentals, sales and installation, and provides heating and air conditioning equipment,

tankless and conventional hot water systems and other in-home and commercial appliances, products and services in Ontario, Alberta and Manitoba.

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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The corporate information contained in this release includes forward-looking statements regarding future events and the future performance of ONEnergy and its subsidiaries that involve risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by ONEnergy at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by ONEnergy that actual results achieved will be the same, in whole or in part, as those forecast.

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