



ONEnergy and OZZ Provide an Update on Proposed Arrangement

- ONEnergy, OZZ Electric and OZZ Clean Energy enter into Arrangement Agreement
- OZZ announces proposed terms of private placement with minimum aggregate proceeds of \$23,000,000

TORONTO, August 21, 2017 - ONEnergy Inc. ("**ONEnergy**" or the "**Corporation**") and OZZ Electric Inc. ("**OZZ**") are pleased to provide an update on their proposed transaction.

On August 10, 2017, ONEnergy, OZZ and OZZ Clean Energy Inc. ("**OCE**") entered into an arrangement agreement (the "**Arrangement Agreement**"), whereby ONEnergy, OZZ and OCE propose to effect a plan of arrangement (the "**Arrangement**") in accordance with Section 182 of the *Business Corporations Act* (Ontario). Subsequent to entering into the previously announced letter of intent with respect to the proposed Arrangement, ONEnergy and OZZ agreed to include OCE as part of the proposed Arrangement. OCE is a private company that is an affiliate of OZZ.

The Arrangement

Commencing at the effective time of the Arrangement, among other things: (a) ONEnergy will sell and transfer to a wholly-owned subsidiary of ONEnergy to be incorporated prior to the closing of the Arrangement ("**Newco**"), all of ONEnergy's right, title and interest in substantially all of ONEnergy's business and assets and Newco will assume certain of ONEnergy's liabilities in exchange for 5,993,875 common shares of Newco ("**Newco Shares**"), which ONEnergy will distribute to its non-dissenting shareholders on a *pro rata* basis; (b) 728,015 outstanding stock options and 410,176 outstanding deferred share units of ONEnergy will be exchanged for 728,015 stock options and 410,176 deferred share units of Newco, respectively, with 0.25 Newco Shares being reserved for issuance pursuant to each such option and deferred share unit; (c) 98,000 outstanding common shares of OZZ (each, an "**OZZ Share**") (including OZZ Shares issued upon conversion of the Subscription Receipts assuming completion of the Minimum Financing (both as defined below)) will be exchanged for 49,000,000 Newco Shares; and (d) 1,000,000 outstanding common shares of OCE (each, an "**OCE Share**") will be exchanged for 2,500,000 Newco Shares. ONEnergy shareholders, except for those that duly exercise their rights of dissent pursuant to the Arrangement, will retain their current shares of ONEnergy.

Upon completion of the Arrangement, it is the intention of the parties that Newco will be renamed "OZZ Energy + Infrastructure Inc." (the "**Resulting Issuer**") and its shares (the "**Resulting Issuer Shares**") will be listed for trading on the TSX Venture Exchange (the "**TSXV**") under the ticker symbol "OZZ".

ONEnergy has called a special meeting of its shareholders to be held on September 28, 2017 to approve the Arrangement (the "**Meeting**"). To be effective, the special resolution of the shareholders of ONEnergy approving the Arrangement must be approved by at least 66 2/3% of the votes cast in person or by proxy at the Meeting. Additional details of the Arrangement will be

provided to ONEnergy shareholders in a Management Information Circular to be mailed in connection with the Meeting.

OZZ Private Placement

In connection with the Arrangement, OZZ has entered into an engagement letter (the "**Engagement Letter**") with Desjardins Capital Markets to act as lead agent and sole bookrunner on behalf of a syndicate of agents (the "**Agents**") in connection with a proposed private placement (the "**Private Placement**") of a minimum of 23,000 subscription receipts (each, a "**Subscription Receipt**") and a maximum of 30,000 Subscription Receipts at a subscription price of \$1,000 per Subscription Receipt (the "**Issue Price**") for aggregate gross proceeds of a minimum of \$23,000,000 (the "**Minimum Financing**") and a maximum of \$30,000,000. It is a condition precedent of the Arrangement that at least the Minimum Financing is completed.

OZZ has granted the Agents an option (the "**Agents' Option**"), exercisable up to 48 hours prior to the closing date of the Private Placement (the "**Private Placement Closing Date**"), to increase the size of the Private Placement by up to an additional 15% of the number of Subscription Receipts sold pursuant to the Private Placement at a price equal to the Issue Price.

The gross proceeds of the Private Placement, less 50% of the Agency Fee (as defined below) and certain costs and expenses of the Agents, will be deposited in escrow with an escrow agent until the satisfaction of certain release conditions, including that all conditions precedent to the Arrangement have been met (the "**Release Conditions**").

Upon the satisfaction of the Release Conditions, each Subscription Receipt will be converted into one OZZ Share without payment of any additional consideration or further action on the part of the holder thereof; and at the effective time of the Arrangement, each such OZZ Share will be exchanged for 500 Newco Shares.

In the event that the Release Conditions have not been satisfied prior to 90 days following the Private Placement Closing Date, except as may be extended in accordance with the terms of the Subscription Receipts or with the consent of holders of not less than 66 2/3% of the then outstanding Subscription Receipts obtained pursuant to the terms of the subscription receipt indenture, the subscription funds shall be returned to the applicable holders of the Subscription Receipts in accordance with the terms of the Subscription Receipts, and such Subscription Receipts shall be automatically cancelled and be of no further force and effect.

In connection with the Private Placement, the Agents are entitled to receive a cash commission of 6% of the gross proceeds of the Private Placement (including pursuant to any exercise of the Agents' Option) (the "**Agency Fee**"), along with compensation options ("**Compensation Options**") equal to 6% of the number of Subscription Receipts sold pursuant to the Private Placement (including pursuant to any exercise of the Agents' Option). Notwithstanding the foregoing, with respect to orders completed pursuant to a president's list, the Agency Fee will be 3% and no Compensation Options will be issuable. Provided the Release Conditions are satisfied, each Compensation Option shall be exercisable to acquire one OZZ Share at a price per OZZ Share equal to the Issue Price for a period of 12 months following the date of issue of the Compensation Options. In connection with the Arrangement and on satisfaction of the Release Conditions, each Compensation Option shall be exchanged for one compensation option of the Resulting Issuer ("**Resulting Issuer Compensation Option**"), each exercisable for 500 Newco Shares at a price of \$2.00 per share for a period of 12 months from the date of issue of the Compensation Options. If the Release Conditions are not satisfied, the Compensation Options shall be immediately cancelled.

The Agency Fee will be payable to the Agents as follows: (i) 50% on the Private Placement Closing Date payable from the gross proceeds of the Private Placement; and (ii) 50% upon release of the escrow funds following satisfaction of the Release Conditions. In the event the

Release Conditions are not satisfied, the Agency Fee will be limited to the 50% paid on the OZZ Private Placement Closing Date and no Compensation Options will be issued.

It is expected that the net proceeds received from the Private Placement will be used for debt repayment, to repurchase the preferred shares of OZZ and for general corporate purposes.

About OZZ

OZZ is a diversified electrical contracting and energy services firm with a core competency in large-scale industrial, commercial & institutional (“**ICI**”) and residential projects. OZZ was founded in 1991 and is a private corporation existing under the laws of Ontario and carries on business in Ontario, Alberta and Newfoundland.

As a full-service electrical contractor specializing in large-scale, complex projects and high-profile design work, OZZ serves a number of sectors and markets including residential (high-rise), commercial (office, retail), industrial (manufacturing, distribution), institutional (hospitals, schools), infrastructure (transit), and specialty (data, communications, automation, grid). OZZ also specializes in the engineering, procurement and construction of photovoltaic (“**PV**”) solar systems, and the design and construction of energy reduction services for the multi-residential and ICI markets. OZZ currently has an employee base that ranges between 800 and 1,000 employees, and since 2006 has successfully completed over 500 projects.

Ownership of OZZ

Excluding certain preferred shares of OZZ that are expected to be repurchased for cancellation immediately prior to the effective time of the Arrangement, OZZ is 80% beneficially owned by CSE Utility Management Inc., an Ontario corporation beneficially owned by Steven Muzzo, the Executive Chairman and Chief Executive Officer of OZZ. The remaining 20% of OZZ is beneficially owned by Cinozz Holdings Inc., an Ontario corporation beneficially owned by John Cinelli, a director of OZZ.

Selected Financial Information of OZZ

The following table sets forth selected historical financial information for OZZ. The financial statements of OZZ have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The annual financial information of OZZ set forth below has been audited while the financial information for the three month period ended March 31, 2017 has been reviewed by OZZ’s auditor but has not been audited.

Income Statement Data (000’s)	Three month period ended March 31, 2017 (\$)	Year ended December 31, 2016 (\$)	Year ended December 31, 2015 (\$)	Year ended December 31, 2014 (\$)
Revenue	39,533	190,899	199,737	208,136
Net income (loss) and comprehensive income (loss) for the period	854	5,957	(115)	7,703

Balance Sheet Data (000’s)	As at March 31, 2017 (\$)	As at December 31, 2016 (\$)	As at December 31, 2015 (\$)	As at December 31, 2014 (\$)
Total assets	121,708	117,235	116,521	117,253
Total liabilities	106,384	102,765	108,008	78,625
Shareholders’ equity	15,324	14,470	8,513	38,628

About OCE

OCE's primary business is to develop and build (and sometimes to own, operate, and manage) solar photovoltaic systems for commercial and residential properties as well as renewable energy micro-grids that incorporate, integrate, and optimize PV generation, traditional turbine-based generation, advanced energy storage, and energy management control systems harmonizing new and existing energy systems. OCE is a private corporation existing under the laws of Ontario and is currently active in Canada and the northeast United States. It is also in the process of expanding into Latin America and the Caribbean. OCE is 51% beneficially owned and controlled by Steven Muzzo, the Chief Executive Officer of OCE.

OCE provides its customers with an opportunity to make predictable their energy future and to save money on the cost of electricity through renewable energy, and expects to soon offer, among other things, storage technologies and advanced system controls. OCE's customer base includes governments, utilities, school boards, pension funds, privately and publicly owned businesses and individual homeowners. OCE's success is mainly derived from OCE's strong international partnerships with key industry vendors, manufacturers, contractors and engineers.

Ownership of OCE

OCE has four beneficial shareholders. 51% of the OCE Shares are beneficially owned by CSE Utility Management Inc., an Ontario corporation beneficially owned by Steven Muzzo, the Chief Executive Officer and sole director of OCE. 13% of the OCE Shares are beneficially owned by 798397 Ontario Ltd., an Ontario corporation beneficially owned by John Cinelli. The remaining shares are held by two shareholders, neither of whom are expected to be principals of the Resulting Issuer.

Selected Financial Information of OCE

The following table sets forth selected historical financial information for OCE. The financial statements of OCE have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The annual financial information of OCE set forth below has been audited while the financial information for the three month period ended March 31, 2017 has been reviewed by OCE's auditor but has not been audited.

Income Statement Data (000's)	Three month period ended March 31, 2017 (\$)	Year ended December 31, 2016 (\$)	Year ended December 31, 2015 (\$)	Year ended December 31, 2014 (\$)
Revenue	624	5,005	39,164	21,135
Net loss and comprehensive loss for the period	(677)	(4,301)	9,268	6,365

Balance Sheet Data (000's)	As at March 31, 2017 (\$)	As at December 31, 2016 (\$)	As at December 31, 2015 (\$)
Total assets	12,945	13,421	27,496
Total liabilities	25,891	26,783	37,947
Shareholders' equity	(12,946)	(13,362)	(10,451)

Directors and Officers of the Resulting Issuer

Upon completion of the Arrangement, the board of directors of the Resulting Issuer will be comprised of Steven Muzzo, Stanley H. Hartt, Michael Harris, Stephen J.J. Letwin and David McFadden. Brief biographies for the proposed directors and officers of the Resulting Issuer are set out below:

Steven Muzzo, Chief Executive Officer and Director

Mr. Muzzo is the Founder and Chief Executive Officer of OZZ and OCE. Mr. Muzzo also co-founded OZZ Comfort Solutions, a water heater rental, sales and service business and Trilliant Inc., a provider of intelligent network solutions and software to utilities around the world for advanced metering, demand response, and smart grid management and for which he is a board member. Mr. Muzzo is also a founder and the CEO and Chairman of the Board for Cricket Energy Holdings Inc., an energy services business in the suite metering and HVAC rental and sales market, among other energy related products and services.

Stanley H. Hartt, Director

Mr. Hartt has served as a director of ONEnergy since 2013. Mr. Hartt is Counsel at Norton Rose Fulbright Canada LLP and has decades of leadership experience in business, law and public policy. Immediately prior to joining Norton Rose Fulbright Canada LLP in 2013, Mr. Hartt was chairman of Macquarie Capital Markets Canada Ltd. Called to the Quebec Bar in 1965, he worked for Stikeman Elliott for 20 years and from 1985 to 1988 was Deputy Minister of the Department of Finance, Canada. From 1989 to 1990, Mr. Hartt was Chief of Staff in the Office of Prime Minister Brian Mulroney and from 1990 to 1996 he was Chairman, President and CEO of Campeau Corporation. From 1996 to 2008, Mr. Hartt was the Chairman of Salomon Brothers Canada Inc., later renamed Citigroup Global Markets Canada Inc. He continued his public service as Chair of the Advisory Committee on Financing, established by the Minister of Finance during the Global Financial Crisis. He was also a member of the Canadian Task Force on Social Finance which reported in December 2010. Mr. Hartt has a great deal of US cross-border and international experience and participated actively in negotiating the Canada-US Free Trade Agreement (he was one of eight Canadians in the room when the agreement was signed).

Mr. Hartt has served as a director of a number of public companies including O&Y Properties Corporation (Chairman), Sun Life Financial Inc., Gulf Canada Resources Ltd., Ultramar Corporation, Abitibi Price Inc. and Oshawa Group Limited. He was also a director of a number of closely held companies including Hong Kong Bank of Canada (now HSBC Bank Canada), Citibank Canada, Quaker Oats Co. Canada and Beatrice Foods Inc.

Michael Harris, Director

Mr. Harris is a senior business advisor with the law firm of Fasken Martineau DuMoulin LLP in Toronto, and the President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies. Before joining Fasken Martineau in September 2013, he was a senior business advisor with the law firm of Cassels Brock & Blackwell in Toronto from March 2010 and before that a senior business advisor with the law firm of Goodmans LLP in Toronto.

Mr. Harris was born in Toronto in 1945 and was raised in Callander and North Bay, Ontario. Before his election to the Ontario Legislature in 1981, Mike Harris was a schoolteacher, a school board trustee and chair and an entrepreneur in the Nipissing area. On June 8, 1995, Mr. Harris became the 22nd Premier of Ontario following a landslide election victory. In 1999, he was re-elected – making him the first Ontario Premier in over 30 years to form a second consecutive majority government.

In addition to sitting on several boards of Canadian corporations, he also serves as a director of the Manning Centre for Building Democracy. He has served as the Honorary Chair of the North Bay District Hospital Capital Campaign and the Nipissing University and Canadore College Capital Campaign. Mr. Harris is also a Senior Fellow of the Fraser Institute. He has received his ICD.D certification from the Institute of Corporate Directors.

Stephen J.J. Letwin, Director

Mr. Letwin has served as a director of ONEnergy since 2013. One of Canada's premier business leaders, Mr. Letwin is President and Chief Executive Officer of IAMGOLD Corporation, a multi-billion-dollar senior gold producer listed on the TSX. Specializing in corporate finance, operational management and merger and acquisitions, Mr. Letwin brings over 30 years of experience from the highly competitive resource sector. Mr. Letwin was previously with Enbridge Inc. in Houston, Texas, as Executive Vice President, Gas Transportation & International. He was responsible for natural gas operations including overall responsibility for Enbridge Energy Partners as Managing Director. In 1999, Mr. Letwin joined Enbridge as President and COO, Energy Services, based in Toronto, Canada. Before Enbridge, he was President & CEO of TransCanada Energy and CFO, TransCanada Pipelines, Numac (Westcoast Energy) and Encor Energy. Mr. Letwin has been a director of Precision Drilling Inc. since 2006. Mr. Letwin holds an MBA from the University of Windsor, is a Chartered Professional Accountant, a Certified General Accountant, a graduate of McMaster University (B.Sc., Honours), and a graduate of the Harvard Advanced Management Program.

David McFadden, Director

Mr. McFadden is a lawyer whose practice has focused on the energy, infrastructure, financial services and aerospace industries. He is currently Counsel at Gowling WLG, and a former member of the firm's Board of Trustees and Executive Committee.

Mr. McFadden currently serves as Chair of the Toronto Hydro Corporation, Chair of 407 International Inc. and Chair of PCI Geomatics Inc. He is a member of the Board of Directors of Cricket Energy Holdings Inc. He is also a member of the Board of Directors of the Ontario Energy Association, a member of the Board of Directors of Cricket Energy Holdings Inc., a member of the IESO's Smart Grid Forum, a member of the Advisory Board of the MaRS Advanced Energy Centre, a member of the Council for Clean and Reliable Energy and a member of the Board of Governors of York University.

Mr. McFadden previously served as a director and Vice Chair of Macquarie Canadian Infrastructure Management Limited, Chair of Macquarie Airports North America Ltd. and Chair of The Detroit-Canada Tunnel Corp. He served on the Ontario Ministry of Energy's Distribution Sector Review Panel and the Ontario Government's Electricity Conservation and Supply Task Force. He is a former Chair of the Toronto Board of Trade and the Ontario Centres of Excellence Inc. and previously served as President of the Canada-US Business Association.

Mr. McFadden holds a Bachelor of Arts from the University of Toronto, a Bachelor of Laws from Osgoode Hall Law School and an honorary doctorate from York University.

Ray de Ocampo, Chief Financial Officer and Corporate Secretary

Mr. de Ocampo has over 25 years of financial and operational management experience. In 2014, Mr. de Ocampo was appointed Chief Financial Officer of ONEnergy. In 2013, he was appointed Vice President Finance of ONEnergy following its acquisition of Sunwave Gas & Power Inc. from OCE. From 2012 until he joined ONEnergy, Mr. de Ocampo was the Corporate Controller for OCE. Mr. de Ocampo holds a Bachelor of Arts from the University of Toronto and is a Chartered Professional Accountant (Chartered Accountant).

John Cinelli, Director and General Manager of OZZ

Mr. Cinelli is General Manager of the ICI department of OZZ. As a licensed Master Electrician with more than 35 years of electrical construction experience, including formerly owning his own electrical contracting company, Mr. Cinelli is equipped to oversee projects within the ICI sector. His portfolio of successfully completed projects includes: infrastructure Ontario developments; TTC projects; LEED certified projects; waste water facilities; institutional facilities; detention centers; healthcare facility construction; retro-fit projects for major hospitals; educational institutions; sports facilities; entertainment centers; and commercial developments.

Significant Conditions to Closing

The completion of the Arrangement is subject to a number of conditions precedent, including but not limited to: (a) approval of the ONEnergy, OZZ and OCE shareholders; (b) obtaining necessary third party approvals (including the TSXV and the court); and (c) successful completion of the Minimum Financing. There can be no assurance that the Arrangement or the Private Placement will be completed as proposed or at all.

Sponsorship

It is expected that the Arrangement will be exempt from the sponsorship requirements of the TSXV.

Arm's Length Transaction

The Arrangement constitutes an "Arm's Length Transaction" within the meaning of the policies of the TSXV.

About ONEnergy

ONEnergy is an energy management firm serving commercial, industrial, multi-residential and residential clients via its ONEnergy™ and Sunwave™-branded energy and energy-efficiency businesses. ONEnergy specializes in helping customers use energy more wisely by minimizing their energy consumption and then cost-effectively managing the balance. We provide a variety of products and services including standalone and solar PV-integrated energy storage systems, complete turnkey high efficiency lighting for retrofits and new construction, energy management software and monitoring, supply of conventional and "green" electricity for homes and businesses, commercial solar PV installations, energy audits and more to help our customers conserve, simplify and effectively manage their energy usage and costs. ONEnergy serves customers in both Canada and the United States, with offices in Toronto and Stamford, Connecticut. ONEnergy common shares are listed on the TSX Venture Exchange under the symbol "OEG" and have been halted pending completion of the Arrangement. Material information about ONEnergy can be found on SEDAR under the Company's issuer profile at www.sedar.com. ONEnergy's corporate website may be found at www.onenergyinc.com and you can learn more about Sunwave's offerings at www.gosunwave.com

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Completion of the Arrangement and Private Placement are subject to a number of conditions, including but not limited to, TSXV acceptance and, in the case of the Arrangement, shareholder approval. The Arrangement cannot close until the required shareholder approval is obtained and the Minimum Financing is completed. There can be no assurance that the Arrangement or Private Placement will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement or Private Placement may not be accurate or complete and should not be relied upon. Trading in the securities of ONEnergy should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release. Neither the TSXV nor its Regulation Service Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.