



VIRIDIS ENERGY INC.

Viridis Energy Inc. Reports Third Quarter 2011 Financial Results

Viridis achieves 25 percent year-over-year third quarter revenue increase

Vancouver, BC – November 29, 2011 – Viridis Energy Inc. ("Viridis" or the "Company") (TSXV: VRD) (OTC: VRDSF.PK), a "cleantech" manufacturer and distributor of alternative energy providing waste biomass fuel to global residential and industrial markets, today reported financial results for its third quarter and nine month period ended September 30, 2011. During the quarter the Company secured financing totaling \$7 million in gross proceeds, entered into a strategic alliance with India-based Abellon Clean Energy ("Abellon") and shipped its first order to Europe within five weeks of the Abellon engagement.

Viridis generated revenue for the third quarter 2011 of \$3.3 million, a 25 percent increase over the third quarter 2010 revenue of \$2.7 million (the Company's first full quarter since its acquisition of the Okanagan Pellet Company Inc ("Okanagan") on April 30, 2010), and a 15 percent increase over the second quarter 2011 revenue of \$2.9 million. The increase in revenues during the current third quarter reflects shipments into Europe related to the Abellon joint venture and an increase in seasonal pricing of the residential heating market. Viridis anticipates sequential revenue growth going forward as it increases shipment into Europe on its two export agreements and industry-wide contract pricing terms continue to improve.

The Company reported a comprehensive loss of \$1.4 million or \$0.04 per basic share for the third quarter of 2011. This compares to comprehensive loss of \$900,000 or \$0.03 per basic share for third quarter of 2010 and a comprehensive net loss of \$990,000 or \$0.03 for the second quarter of 2011. Viridis reported a loss from operations of \$1.3 million during third quarter 2011 versus a loss of \$794,000 during the prior year and a loss of \$813,000 for the second quarter of 2011. The Company anticipates achieving profitability in 2012 as demand has significantly increased from international industrial entities and biomass pricing industry-wide has materially improved.

Cost of sales was \$3.4 million for the three month period ended September 30, 2011, which includes material costs of \$1.4 million and freight costs of \$921,000. This compares to cost of sales of \$2.3 million and \$2.5 million for the three month periods ended, September 30 2010 and June 30, 2011, respectively, which include material costs of \$244,000 and \$1.3 million, as well as freight costs of \$538,000 and \$432,000 for the three month periods ending September 30, 2010 and June 30, 2011 respectively.

Under IFRS, cost of sale also includes employee benefits, depreciation and other costs. Gross profit contribution net of depreciation for the three month period ended September 30, 2011 was \$97,000. Applying IFRS standards, negative gross profit totaled \$42,900 during the quarter due to pre-paid off season pricing arrangements from prior quarters that shipped during the third quarter 2011, the sale of old inventory, as well as purchases from third party pellets producers as demand quickly accelerated during the quarter.

Material costs as a percent of revenue was 44% during the three month period ended September 30, 2011, within the range of its average of 45% for the first nine months of 2011. Freight costs as a percent of revenue, however, was 28%, nearly twice the average of the two previous three month periods. The increased freight costs are associated, in part, with the use of an off-site storage facility temporarily used by the Company. The Company has taken steps to reduce freight costs, which include arranging the bagging of pellets by a third party located closer to customer destination points, enabling the Company to more cost efficiently ship bulk loads by rail. Moreover, the Company has expanded its target markets to include commercial sales to power plants, industrial boilers and cogeneration plants, which will reduce seasonal sales fluctuations as well as the need for off-site storage. The Company also anticipates a further reduction in the cost of sales as a percentage of revenue as plant is now running at full capacity and capable of running at higher efficiency due to more effective maintenance procedures.

Operating expenses during third quarter 2011 totaled \$1.2 million, an increase of approximately \$62,000 from the prior year's third quarter and an increase of \$28,000 from the sequential second quarter 2011. The increase in expenses is attributed to an increase in general and administrative costs due to non-recurring costs associated with legal fees and facility costs associated with setting up new offices for Viridis and Cypress Pacific. While general & administrative expenses increased, Viridis production costs declined overall despite increased production output.

Going forward, Viridis expects production costs to increase as it expands capacity to accommodate increased demand in the US and overseas, but does not expect general and administrative costs to grow materially from current levels as the Company continues its focus on controlling expenses and delivering increased operating margins as its revenues rise.

Interest expense (inclusive of bank charges) for the third quarter was approximately \$140,000, which compares to interest expense of approximately \$106,000 during third quarter 2010 and interest expense of \$119,000 during the second quarter 2011.

For the nine months ended September 30, 2011, Viridis reported revenues of \$8.9 million, a 120 percent increase compared to the same period in 2010. Net comprehensive loss totaled \$3.6 million or \$0.11 per basic share, compared to a net comprehensive income of \$472,000 or \$0.02 per diluted share for the same period in 2010, which included the \$2.8 million gain on acquisition of Okanagan. The Company's year over year operating loss for the nine month period increased \$1.0 million, of which \$907,000 was attributed to the increased workforce given the two acquisitions completed during the first half of 2010. The remainder of the increase is attributed to an increase in material and shipping costs.

At September 30, 2011, the Company had cash and cash equivalents of \$1.6 million and accounts receivable of approximately \$1.0 million (representing a DSO of 28 days), inventory of \$1.3 million and total assets of \$16.7 million. During the third quarter, Viridis raised additional capital totaling \$7 million in two tranches. The Company raised \$3.1 million in gross proceeds from the sale of approximately 11 million units, each unit consisting of one share of the Company's common stock and one-half of a common share purchase warrant, each whole warrant exercisable at \$0.40 per share for a period of 24 months. The Company also raised approximately \$3.9 million from the sale of a 6% secured convertible note (the "Note"). The Note has a conversion rate of one unit for each \$0.25 of indebtedness owing, each unit consisting of one share of the Company's common stock and one-half transferable share purchase warrant exercisable at \$0.40 per share. At quarter end, the Company's short term debt decreased by \$1.1 million with total liabilities at \$10.6 million, which includes long term debt of \$4.0 million and a future tax liability of \$870,500.

On September 30, 2011, shareholder equity totaled \$6.1 million. The weighted average number of common shares at September 30, 2011 totaled 38.3 million shares, an increase of 8 million shares from the second quarter 2011 due to the closing of the financing during the third quarter. As of September 30, 2011, Viridis had approximately 41.3 million shares outstanding and 60.5 million fully diluted shares (including 12 million deep out of the money warrants that expire May and July 2012, but excluding conversion of the convertible debt). If all options and warrants are exercised, it would inject an additional \$11.9 million of capital into the Company.

“During the first half of 2011, we completed our structural transition to become a clean-tech, biomass company and entered into the international and industrial markets. During the third quarter we signed a joint venture agreement with a large private industrial company for the purposes of accelerating sales in Europe, increasing production capacity and diversifying potential feedstock. We were also successful in securing \$7 million in additional capital. Over the past year we have strategically focused on adding capacity and accessing as well as diversifying our fiber source to accommodate demand for biofuel that greatly exceeds our present capacity. We have identified and are pursuing acquisition opportunities that would greatly increase Viridis’ share of this rapidly growing market. The sudden high demand levels that have developed are resulting in improved contract pricing and are providing our company with tremendous opportunity to expand quickly with future long term contract commitments in hand,” commented Christopher Robertson, Viridis’ chief executive officer.

Mr. Robertson continued, “As one of the few public bio-waste companies, we are witnessing immediate and significant demand by international utilities primarily as a result of global public policy mandates. At Okanagan, our flagship production facility, during this first full year since acquisition, we have reduced production costs, while increasing production capacity by 44%. As of fourth quarter 2011, we are running this facility at 100% capacity and are now actively planning to increase capacity three-fold during 2012 through a build-out in Monte Lake, British Columbia and reviewing other potential, non-dilutive opportunities. We continue to concentrate efforts to secure fiber supply from multiple sources and expect to be able to support significant production increases. To further our diversification into other renewable biofuels, we began marketing palm kernel shells (PKS), which has the potential to increase our revenues significantly in 2012. We expect our first PKS shipments to be delivered into Europe.”

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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 operates Cypress Pacific Marketing and Okanagan Pellet Company, two acquisitions in the wood pellet sector, thus providing the Company with vertical integration for distribution and manufacturing. For more information on Viridis Energy Inc. please refer to the Company website at www.viridisenergy.ca.

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, the expected timing for achieving profitability, anticipated pricing changes and expected timing for other business opportunities, including new product lines. 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. These assumption include, but are not limited to, the Company's ability to procure necessary raw material to produce its products, the continuation of governments to adopt and enforce policies that promote the use of renewable biomass energy sources, economics that support the use of wood pellets and other biofuels as an energy and heating source, and other business risks. 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) interruptions in timely product shipments, particularly into international markets, (5) inability to finance operations and growth, (6) inability to retain key management and employees, (7) an increase in the number of competitors with larger resources, and (8) 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 security 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.

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***** Financial Statements Follow *****

**VIRIDIS ENERGY INC.
CONSOLIDATED BALANCE SHEETS**

	September 30, 2011	December 31, 2010
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	\$ 1,561,182	-
Accounts receivable	982,245	836,090
Inventory	1,250,889	2,404,622
Other receivable	169,879	171,299
Prepaid expenses	215,093	142,531
Due from related parties	78,160	58,448
Total Current Assets	4,257,448	3,612,990
Property, plant and equipment	6,369,595	6,683,983
Option to acquire property	250,000	-
Intangible assets	3,482,000	3,482,000
Goodwill	2,355,411	2,355,411
Total Assets	\$ 16,714,454	\$ 16,134,384
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Bank line of credit	2,987,081	2,601,464
Accounts payable and accrued liabilities	1,696,216	1,675,752
Short term loan payable	-	10,700
Due to related parties	24,002	707,771
Current portion of loans payable	1,052,966	2,542,424
Total Current Liabilities	5,760,265	7,538,111
 Long-term Liabilities:		
Loan payables	3,959,725	556,355
Future tax liability	870,500	870,500
Total Liabilities	10,590,490	8,964,966
 Stockholders' Equity (deficit)		
Share capital	18,236,436	16,233,172
Contributed surplus	2,282,562	1,727,713
Deficit	(14,395,034)	(10,791,467)
Total Stockholders' Equity	6,123,964	7,169,418
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 16,714,454	\$ 16,134,384

VIRIDIS ENERGY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Sales	\$ 3,314,530	\$ 2,659,153	\$ 8,854,189	\$ 4,033,354
Cost of Sales	<u>3,357,432</u>	<u>2,307,707</u>	<u>8,510,161</u>	<u>3,616,685</u>
Gross profit	<u>(42,902)</u>	<u>351,446</u>	<u>344,028</u>	<u>416,669</u>
 Operating expenses:				
Selling and marketing	31,135	51,728	168,789	116,681
General and administrative	<u>1,175,971</u>	<u>1,093,441</u>	<u>3,306,086</u>	<u>2,399,146</u>
Total operating expenses	<u>1,207,106</u>	<u>1,145,169</u>	<u>3,474,875</u>	<u>2,515,827</u>
Loss before other items	(1,250,008)	(793,723)	(3,130,847)	(2,099,158)
 Other items:				
Foreign exchange loss	(6,454)	(809)	(33,954)	(3,158)
Disposal of plant, property and equipment	-	-	(29,028)	-
Gain on acquisition of business operations	-	-	-	2,774,394
Interest and bank charges	(3,474)	(105,768)	(20,744)	(199,910)
Imputed interest on convertible note	-	-	(40,751)	-
Interest expense	<u>(136,744)</u>	<u>-</u>	<u>(348,243)</u>	<u>-</u>
	<u>(146,672)</u>	<u>(106,577)</u>	<u>(472,720)</u>	<u>2,571,326</u>
 Comprehensive income (loss)	 <u>\$ (1,396,680)</u>	 <u>\$ (900,300)</u>	 <u>\$ (3,603,567)</u>	 <u>\$ 472,168</u>
 Net income (loss) per share basic and diluted	 <u>\$ (0.04)</u>	 <u>\$ (0.03)</u>	 <u>\$ (0.11)</u>	 <u>\$ 0.02</u>
 Weighted average number of common basic and diluted	 <u>38,330,093</u>	 <u>29,557,898</u>	 <u>33,017,756</u>	 <u>22,274,731</u>