LONESTAR WEST INC.
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LONESTAR WEST ANNOUNCES Q3 RESULTS

Sylvan Lake, Alberta, (TSX.V: LSI) – Lonestar West Inc. today announced the financial results for the quarter ended September 30, 2014.

Lonestar is pleased to announce it has achieved record revenues and EBITDAC in the nine month period ended September 30, 2014.

On November 12, 2013, Lonestar West Inc. ("Lonestar" or the "Company") announced that it changed its financial year-end from June 30 to December 31. This change in year-end allows the Company to provide continuous disclosure information on a comparable basis with its industry peer group.

Highlights for the quarter ended September 30, 2014 include:

- Revenues increased 56.8% to $13,016,590 from $8,300,540 in the previous year equivalent period.
- Gross margin increased to 26.1% from 19.9% in the previous year equivalent quarter.
- Normalized EBITDAC increased 168.0% to $2,442,928 from $911,634 in the previous year equivalent quarter.
- Normalized EBITDAC per basic share increased 90.9% to $0.084 from $0.044 in the previous year equivalent quarter.
- Income before taxes was $1,028,002, an increase of $905,521 in comparison to the $122,481 income before taxes in the previous year equivalent quarter.
- Net income for the quarter was $771,000, an increase of $679,019 in comparison to the $91,981 net income in the previous year equivalent quarter.

Normalized EBITDAC rose by 168.0% from the previous year equivalent quarter with a rise from $911,634 to $2,442,928. The increase in operating results can be credited to the significant improvement in gross margin as a result of improved operating efficiencies.

Normalized EBITDAC for the Canadian Division rose 248.3% from $299,393 to $1,042,731. In addition, normalized EBITDAC margin rose from 4.7% to 11.7% of Canadian revenues. The significant increase in results can be attributed to the improved operating efficiencies realized from infrastructure implemented in the Canadian Division over the last four quarters.

The United States Division continued to contribute positively during the quarter ended September 30, 2014. Normalized EBITDAC for the United States Division was $1,400,179, a 128.7% increase when compared to $612,241 in the comparable prior year quarter. EBITDAC margin increased 3.2% to 34.0% from 30.8%. The improvement was a result of operating efficiencies gained as Management continues to build out its United States platform.

Highlights for the nine month period ended September 30, 2014 include:

- Revenues increased 46.4% to $34,094,472 from $23,289,461 in the previous year equivalent period.
- Gross margin increased to 23.6% from 19.2% in the previous year equivalent period.
- Normalized EBITDAC increased 100.8% to $5,376,304 from $2,677,237 in the previous year equivalent period.
- Normalized EBITDAC per basic share increased 50.3% to $0.215 from $0.143 in the previous year equivalent period.
- Income before taxes was $1,963,948, a $1,354,974 increase in comparison to the $608,974 income before taxes in the previous year equivalent period.
- Net earnings for the period were $1,472,960 a $1,067,457 increase in comparison to the $405,503 net earnings in the previous year equivalent period.
- The Company realized $242,114 in revenues in relation to a legal settlement in the Company's favour.

Normalized EBITDAC rose to $5,376,301 from the previous year equivalent period of $2,677,237. The significant growth can be credited to improved results from both the Canadian and United States Divisions year-over-year.

Normalized EBITDAC for the Canadian Division increased to 14.9% from 10.2% in the prior year equivalent period. The improvement is a result of increased revenues of 28.1% to $26,071,817. The Canadian Division added a total 38 units to its fleet, and 2 operational bases year-over-year.

Normalized EBITDAC for the United States Division increased to 21.6% from 20.5% in the prior year equivalent period. The improvement in Normalized EBITDAC margins was a result of increased revenues of 173.1% to $8,019,655 for the nine month period ended September 30, 2014. The United Stated Division added 28 units to its fleet, and 4 operational bases year-over-year.

Lonestar is continuing to expand its fleet as part of its planned growth strategy. As of September 30, 2014, the Company had 127 units. Subsequent to the quarter end, the Company has added 7 units and anticipates adding a further 11 units by the end of the fourth quarter. The estimated total units of 145 for year end compares to 68 units at the beginning of the year.

Subsequent to September 30, 2014, the Company continued its geographical expansion and opened field bases in Tulsa, Oklahoma, Nashville Tennessee, and Toronto, Ontario, bringing the total number of bases to 18 as of the date of this MD&A. The Company is continuing to evaluate viable locations to expand into and anticipates that it will add additional bases in the coming quarters.

"Lonestar is exceptionally pleased with both our organic growth and the contributions made by the Vamp Oilfield Inc. acquisition," commented James Horvath, President and CEO of Lonestar. "The United States Division has shown meaningful improvements and Vamp is having a significant impact on the Canadian Division results."

About Lonestar West

Based in Sylvan Lake, Alberta, Lonestar West Inc. operates a fleet of 134 HVAC, Vacuum and Auxiliary units throughout Western Canada, Ontario California, and the Southern United States. It is focused on profitably growing its HVAC services to become a major competitor in the North American market.

For more information please visit the Lonestar West website at www.lonestarwest.com.

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