

LONESTAR WEST INC.  
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April 30, 2014

Symbol: LSI (TSX.V)

### LONESTAR WEST ANNOUNCES 2013 YEAR END FINANCIAL RESULTS

Sylvan Lake, Alberta, (TSX.V: LSI) – Lonestar West Inc. today announced the financial results for the six month fiscal year ended December 31, 2013, the first report since its change of year-end.

Lonestar is pleased to announce it has once again achieved strong revenues in six month period ended December 31, 2013.

Highlights for the six month fiscal period ended December 31, 2013 include:

- Revenues were \$17,581,642 for the six month period compared to \$27,895,601 in the previous twelve - month fiscal year ended June 30, 2013.
- EBITDAC for the six month period was \$1,331,938 compared to \$4,181,410 in the previous twelve-month fiscal year ended June 30, 2013.
- EBITDAC per share for the six month period was \$0.06 compared to \$0.25 in the previous twelve month fiscal year ended June 30, 2013.
- Income before taxes was a negative \$289,353 for the six month period in comparison to the \$1,939,400 net income before taxes in the previous twelve month fiscal year ended June 30, 2013.
- Net income for the six month period was a negative \$188,295 compared to net income of \$1,446,429 in the previous twelve month fiscal year ended June 30, 2013.

The Company also reported results for the quarter ended December 31, 2013.

- Revenues increased 37.5% to \$9,281,102 from \$6,750,037 in the previous year equivalent quarter.
- EBITDAC decreased 63.4% to \$420,304 from \$1,148,576 in the previous year equivalent quarter.
- EBITDAC per share decreased 70.5% to \$0.02 from \$0.06 in the previous year equivalent quarter.
- Loss before taxes was \$411,834 a \$1,036,156 decrease in comparison to the \$624,322 income before taxes in the previous year equivalent quarter.
- Net loss for the quarter was \$280,276 a \$748,598 decrease in comparison to the \$468,322 net earnings in the previous year equivalent quarter.

The Company once again experienced revenue growth during the six month period as result of management implementing its growth strategy. However, the Company also experienced increased operating and general and administrative expenses as a result of the implementation of the Company's growth strategy. Increased costs were related to housing expenses for staff, the hiring of additional head office and management personnel

and professional fees relating to the new credit facility. These increased costs resulted in a net loss for the six-month period of \$188,295.

Lonestar continues to see significant growth in its revenues with an increase of 37.5% for the three-month period ended December 31, 2013 over the prior year comparable quarter. While EBITDA declined on a comparable quarter basis, Management believes that it is making significant progress on the build-out of its US operations. Towards the end of the fourth quarter of 2013 and during the first quarter of 2014, key personnel were added to the operations in the United States and it is anticipated that their impact will be demonstrated in the following quarters.

During the first quarter, Management has experienced a material increase of Request For Proposals for pipeline construction compared to last year. An increased level of activity is expected in the Canadian energy sector during the second and third quarters, which should directly have a positive impact on Lonestar operations. In addition, in line with the Company's growth strategy, substantial additions were made to Lonestar's fleet post year-end with the purchase of 11 HVAC units, 6 Vacuum units and 2 water trucks.

"Lonestar is going through the difficult process of building a North American platform for providing Hydrovac services" said James Horvath, CEO and President of Lonestar. "While our EBITDAC results were relatively poor for the last several quarters, management believes our underlying growth strategy is sound and anticipates the benefits of the increased costs will be realized in future quarters. Lonestar is continuing to focus on its growth strategy by increasing the size of our fleet and introducing our superior services to new customers and geographical areas."

#### **About Lonestar West**

Based in Sylvan Lake, Alberta, Lonestar West Inc. operates a fleet of 87 HVAC and Vacuum trucks throughout Western Canada, California, Oklahoma, Texas and has recently expanded into Kansas. 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](http://www.lonestarwest.com)

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