

LONESTAR WEST INC.
Site 5, RR#1, Box 1, Sylvan Lake, AB T4S 1X6



December 15, 2015

Symbol: LSI (TSX.V)

LONESTAR CLOSES DEBENTURE FINANCING

Lonestar West Inc. (TSX.V: LSI) (the “**Company**” and/or “**Lonestar**”) announces that it has completed a subordinate secured debenture financing in the aggregate amount of \$1,500,000 (the “**Debentures**”). The Debentures carry an annual interest rate of 14% and have a maturity date of January 31, 2018. The obligations under the Debentures are secured by the Company’s grant of a security interest in its assets (including the assets of its subsidiaries) in favour of the Debenture holders. This security interest is subordinate to the Company’s indebtedness held by HSBC Bank Canada.

None of the Company's common shares or securities convertible into common shares are being issued in connection with the Debentures and no commissions or finder's fees are applicable in connection with the Debentures. The funds received from the Debenture financing will be used to reduce the Company’s current working capital line with HSBC Bank Canada.

Three directors of the Company (the “**Purchasing Directors**”), purchased an aggregate of \$275,000 of the Debentures issued pursuant to the financing and declared a conflict and recused themselves from voting on the approval of the financing. There was no materially contrary view or abstention by any director approving the financing. Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the purchase by the Purchasing Directors was a “related party transaction” but the Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the financing.

About Lonestar West

Based in Sylvan Lake, Alberta, Lonestar West Inc. operates a fleet of 160 Hydrovac, Vacuum and Auxiliary units throughout Canada, 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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