

LONESTAR WEST INC.  
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Symbol: LSI (TSX.V)

### LONESTAR WEST ANNOUNCES Q1 RESULTS

Sylvan Lake, Alberta, (TSX.V: LSI) – Lonestar West Inc. today announced the financial results for the quarter ended March 31, 2014.

Lonestar is pleased to announce it has achieved strong revenues and EBITDAC in the quarter ended March 31, 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. The March 31, 2014 results is the first quarter reported since the change in year end.

Highlights for the quarter ended March 31, 2014 include:

- Revenues increased 31.2% to \$11,518,959 from \$8,776,667 in the previous year equivalent quarter.
- EBITDAC increased 36.5% to \$2,124,961 from \$1,556,431 in the previous year equivalent quarter.
- EBITDAC per basic share increased 11% to \$0.10 from \$0.09 in the previous year equivalent quarter.
- Income before taxes was \$1,112,939 a \$93,619 increase in comparison to the \$1,019,320 income before taxes in the previous year equivalent quarter.
- Net income for the quarter was \$834,704 a \$72,486 increase in comparison to the \$762,218 net earnings in the previous year equivalent quarter.

A total of 38 units were added to the Company’s fleet since March 31, 2013 for a total of 87 units at the end of the quarter. In addition, the geographical reach of the business has been expanded with the addition of four bases since March 31, 2013. The Company now operates 11 bases throughout Western Canada, California, Oklahoma, and Texas as of March 31, 2014. The increase in fleet size and base coverage was reflected with a 31.2% increase in gross revenues from the previous year equivalent quarter.

EBITDAC rose by 36.2% from the previous year equivalent quarter with a rise from \$1,556,431 to \$2,124,961. The increase in operating results can be credited to a strong quarter experienced by the Canadian division. EBITDAC for the Canadian division rose from \$1,664,295 to \$2,195,201. In addition, EBITDAC margin rose from 19.2% to 21.4% of revenues as increased operating efficiencies were realized.

Management is in the early stages of building its United States platform to sustain future growth. As a result the Company incurred costs associated with developing new bases and the hiring of key management personnel.

This had a direct impact on the EBITDAC and earnings for the United States for the quarter ended March 31, 2014. Management anticipates the benefits relating to implementing its growth strategy in the United States will be experienced in future quarters.

“We had a strong first quarter and are pleased with our growth in revenues and EBITDAC. We are beginning to see the benefits of our fleet and base expansion and believe that we will see improved economics as critical mass is achieved in our United States operations. As of May 20, our United States revenues have already exceeded our first quarter United States revenues” commented James Horvath, CEO and President of Lonestar.

Subsequent to March 31, 2014 the Company has entered into a letter of intent to purchase an oilfield services company located in Western Canada. Total consideration in relation to the purchase would be \$9,161,000 comprising of \$2,000,000 in common share of Lonestar West Inc. and \$7,191,000 combination of cash and a promissory note. Completion of the acquisition is conditional upon, among other things, the Company completing its remaining due diligence, execution of a definitive acquisition agreement, approval by its Board of Directors and all necessary regulatory approvals, including approval of the TSX Venture Exchange. In calendar 2013, the target company achieved EBITDAC of \$2,610,000.

#### **About Lonestar West**

Based in Sylvan Lake, Alberta, Lonestar West Inc. operates a fleet of 89 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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