

**SYNEX INTERNATIONAL INC.  
NEWS RELEASE**

**TSX : SXI**

**February 4, 2014**

<b>SYNEX INTERNATIONAL INC SECOND QUARTER OF FISCAL 2014</b>
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For the six months ended December 31, 2013, revenue was \$1,133,587 as compared to \$1,067,562 for the six months ended December 31, 2012. The increase in revenue is due to increases in sales from the Mears Plant, Barr Plant, Kyuquot Utility and the Engineering Division partly offset by decreases in the electricity sales from the Cypress Plant.

The net loss for the six months ended December 31, 2013 decreased to \$389,084 as compared to \$491,960 for the six months ended December 31, 2012. The decrease in net loss is primarily due to higher revenues from the engineering and energy divisions. A net loss in the six month period ending in December is expected as the generation from hydro plants represents less than 35% of annual forecast generation. In addition, the weather conditions were dry during both the six months ended December 31, 2013 and December 31, 2012. The loss per share for the six months ended December 31, 2013 was \$0.01 as compared to a net loss per share of \$0.02 for the six months ended December 31, 2012.

Capital expenditures in respect of the development of run-of-river hydro projects in British Columbia for the six months ended December 31, 2013 totaled \$243,424. The Power Division was most active on the proposed 5MW McKelvie Creek Project, 4MW Newcastle Creek Project and 10MW Victoria Lake Project. The Victoria Lake Project has an electricity purchase agreement dated August 2006 whereas the two other projects are expected to qualify for electricity purchase agreements under the current BC Hydro Standing Offer Program.

At December 31, 2013, the Company had a cash balance of \$919,850 as compared to \$1,145,655 at June 30, 2013. The total loan principal outstanding to the Canadian Western Bank was \$18,465,316 at December 31, 2013 as compared to \$18,461,818 at June 30, 2013. During July 2013, the Company increased the loan principal of the Kyuquot Loan by about \$321,000 to \$700,000 and converted the loan from a floating rate to a 3-year fixed rate. In addition, in August 2013, the Company received gross proceeds of \$153,500 from issuance of 340,000 common shares from the exercise of options by directors and officers.

The Company is a successful hydroelectric developer and consultant in British Columbia. The Company wholly owns or has beneficial interests in a total of 12 MW of operating facilities. In addition, the Company has applications for water licences and land tenure on over 55 potential hydroelectric sites which are in various stages of development or intended for disposition. Mostly, the water licence applications are for projects with individual capacities of less than 10 MW. BC Hydro under the current Standing Offer Program accepts applications for electricity purchase agreements for up to forty years with a maximum size of 15 MW.

*“signed”*

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Greg Sunell, President

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*This press release contains forward-looking statements that involve risks and uncertainties. These statements reflect our current expectations and are subject to change. They are subject to a number of risks and uncertainties including, but not limited to, changes in economic conditions, risks associated with the construction and operation of hydroelectric facilities and changes in government policies.*