

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

February 2, 2016

SYNEX INTERNATIONAL INC. SECOND QUARTER OF FISCAL 2016

For the six months ended December 31, 2015, revenue decreased to \$1,635,094 from \$2,073,968 in the corresponding period in fiscal 2015. The decrease in revenue was mainly due to reduced engineering services of \$379,566 and reduced electricity sales from the Mears and Cypress Plants of \$66,181.

The net loss attributable to shareholders of the Company for the six months ended December 31, 2015 increased to \$493,985 as compared to \$333,134 in the corresponding period in fiscal 2015. The increase in net loss for the six months ended December 31, 2015 is primarily due to increased losses from the Engineering Division and increased losses from the Power Division. For the six months ended December 31, 2015, the loss per share was \$0.02 as compared to a loss per share of \$0.01 in the corresponding period in fiscal 2015. A net loss in the first six months is expected as the generation from hydro plants in the six months normally represents less than 39% of annual forecast generation.

Cash flow from operating activities for the six months ended December 31, 2015 was \$50,741 as compared to \$196,649 for the six months ended December 31, 2014. On December 22, 2015, the Company announced the completion of a private placement of 515,000 shares priced at \$0.40 per share for gross proceeds of \$206,000.

The capital expenditures in the six months ended December 31, 2015 in respect of the development of run-of-river hydro projects in British Columbia totaled \$162,935. The Power Division was most active on the proposed 5MW McKelvie Creek Project and the 4MW Newcastle Creek Project. The Power Division is currently offering to partner with third parties in respect of the continued capital expenditures of select development projects and is in advanced discussions with respect to the Newcastle Creek Project and the Victoria Lake Hydro Project.

During Fiscal 2010, Hawkeye Energy Corporation (“HEC”) entered into receivership and its assets, primarily 36 water licence applications, were conditionally sold by the Receiver to the Engineering Division under a bidding process. Prior to the closing of the sale to the Engineering Division, Hawkeye Power Corporation (“HPC”) advanced a claim of an unregistered prior right to the HEC assets. On November 21, 2011 a court dismissed the HPC claim. Subsequently, HPC filed for Notice of Appeal of the court decision. On October 18, 2012, the Appeal was upheld and a new trial was ordered. A new trial was held from June 30, 2014 to July 9, 2014. On July 29, 2014, the court rendered a decision dismissing the HPC claim. On August 28, 2014, HPC filed a Notice of Appeal and Stay of Motion in regards to the July 29, 2014 decision. The court denied the application by HPC for a Stay of Motion and the Company closed the purchase of the assets from the Receiver in December 2014. On November 4, 2015, the appeal by HPC was dismissed. Subsequent to the end of the second quarter, on January 4, 2016, HPC filed for leave to appeal to the Supreme Court of Canada. The Engineering Division is currently marketing the HEC assets for sale to third parties and on October 5, 2015, the Company announced that agreements with independent third parties had been executed regarding the sale of five of the water licence applications.

The Company is a successful hydroelectric developer and consultant in British Columbia. The Company wholly owns or has proportionate 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 for projects with a maximum size of 15 MW and for which BC Hydro has a stated goal of acquiring 150 GWh per year.

“signed”

Greg Sunell, President

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Forward Looking Statements

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. The Company assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.