

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

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SYNEX INTERNATIONAL INC ANNUAL REPORT FOR FISCAL 2014
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Revenue for the fiscal year ended June 30, 2014 decreased to \$5,307,388 from \$5,392,722 for the fiscal year ended June 30, 2013. The revenue decrease is primarily due to lower electricity sales at each of the Mears, Cypress and Barr Creek Plants mostly offset by an increase in consulting services.

Net loss attributable to shareholders for fiscal 2014 increased to \$333,537 from a net loss attributable to shareholders of \$218,662 for fiscal 2013. The increase in net loss is primarily the result of unfavourable weather conditions for hydroelectric generation on Vancouver Island, BC. Generation at the Mears Creek and Cypress Creek Plants for Fiscal 2014 was the lowest annual generation over the respective 10 year and 5 year operating periods. Generation at the Barr Creek Plant was also well below forecast generation. Loss per share for fiscal 2014 was \$0.01 as compared to a loss per share of \$0.01 in fiscal 2013.

Cashflow from operating activities for fiscal 2014 was \$1,293,176 and the Company made a dividend payment in late June 2014 to shareholders of record on June 13, 2014. The dividend payment was in the amount of \$0.01 per share for total payments of \$294,195.

During fiscal 2014, the Company expended \$445,517 on development of hydroelectric projects. Most of the expenditures were for the 5MW McKelvie Creek Project (“McKelvie”), the 4MW Newcastle Creek Project (“Newcastle”) and the 9.9MW Victoria Lake Project (“Victoria”). For McKelvie, the milestones included acquisition of the crown land portions and completion of studies for Fisheries and Oceans Canada. The Company is continuing to advance Newcastle and Victoria through the regulatory phase. McKelvie and Newcastle are expected to qualify for electricity purchase agreements under the BC Hydro Standing Offer Program whereas Victoria has an electricity purchase agreement with BC Hydro dated August 2006.

During Fiscal 2010, Hawkeye Energy Corporation (“HEC”) entered into receivership and its assets 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. Subsequent to June 30, 2014, on July 29, 2014, the court rendered a decision dismissing the HPC claim. On August 28, 2014, HPC filed a Notice of Appeal in regards to the July 29, 2014 decision. The Company has entered into a purchase and sale agreement and an option agreement with an independent third party in respect of the assets to be acquired from the Receiver, which agreements may expire prior to the date of the Court of Appeal hearing.

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 50 GWh per year.

“signed”

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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.