



Tornado Global Hydrovacs Reports Second Quarter 2016 Results

CALGARY, August 26, 2016 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TGH: TSX-V) is pleased to announce that,

Summary of the Second Quarter 2016 results

- Proceeds from private placement held in trust of \$7.0 million (\$0.257 per share)
- Net assets contributed by Empire Industries Ltd. of \$8.3 million, net of a \$2.9 million subordinate note
- Revenues decreased by \$0.9 million to \$5.8 million from \$6.7 million in second quarter 2015
- Adjusted EBITDA decreased by \$0.4 million to a loss of \$0.3 million from \$0.1 million in second quarter 2015
- Net Loss of \$0.36 million compared to a Net loss of \$0.1 million in second quarter 2015
- Net Loss was \$0.006 per share compared to Net loss per share of \$0.001 in second quarter 2015

Periods ended June 30 ((\$000 except per share amounts))	Six months ended			Quarter ended		
	2016	2015	Variance	2016	2015	Variance
	\$	\$	\$	\$	\$	\$
Operating Results:						
Revenues	9,146	11,311	(2,165)	5,764	6,686	(922)
Adjusted EBITDA ¹	(720)	(7)	(713)	(285)	130	(415)
Adjusted EBITDA %	(7.9%)	(0.1%)	(7.8%)	(4.9%)	1.9%	(6.8%)
Net Income (loss)	(822)	(347)	(475)	(355)	(75)	(280)
Net Income (loss) per share	(0.014)	(0.006)	(0.008)	(0.006)	(0.001)	(0.005)

	June 30 2016	December 31 2015
(000)		
Financial Position		
Total assets	\$19,698	\$8,682
Long-term debt (including current portion)	\$2,895	\$35
Shareholders' equity	\$15,283	\$7,054
Shares Outstanding (Basic)	59,480	NA
Shareholders' equity per share	\$0.257	NA

¹ Adjusted earnings (loss) before interest, tax, depreciation and amortization (Adjusted EBITDA) is not defined by IFRS. The definition of Adjusted EBITDA does not take into account gains and losses on the disposal of assets, fair value changes in foreign currency forward contracts and non-cash components of stock based compensation. While not IFRS measures, Adjusted EBITDA is used by management, creditors, analysts, investors and other financial stakeholders to assess the Group's performance and management from a financial and operational perspective.



Empire Industries Ltd. successfully spun its Tornado Hydrovac Truck Division out by way of a Plan of Arrangement to form a new public company named Tornado Global Hydrovacs Ltd. (TSXV: TGH) at the end of Q2 2016. This occurred concurrent with a Chinese strategic investor injecting \$7 million of equity and a commitment to invest an additional \$2.5 million of subordinate debt into Tornado after a wholly owned subsidiary is incorporated in China. Empire shareholders own 54.5% of Tornado and the Chinese strategic investor will own 45.5%.

Although management believes the medium and long term outlook for Tornado is positive, they recognize that 2016 will be a transition year and 2017 will be a building year for the Company. As a result, the results for the next several quarters will be affected by the following:

- Over the past two years, the Company has been challenged to respond to the negative effect that the significant reduction in oil and gas prices has had on reducing capital expenditures in Western Canada, especially in the oil sands market. To mitigate this, the Company has increased its emphasis on exporting its hydrovac trucks to the US municipal and industrial markets to offset the adverse conditions in the western Canadian industrial market.
- The Company's North American operating performance in the second half of 2016 is expected to improve compared to the first half of 2016 and fiscal 2015 for two reasons. Firstly, its newly designed, patents pending, hydrovac truck started production in July and it will replace its original hydrovac designed truck. This new design has compelling improvements that management believes will strengthen Tornado's industry leading reputation.. Secondly, the US and Canadian markets for hydrovac trucks are starting to show signs of improvement and this is having an impact on volume and margin improvement expectations.
- Earnings from the Chinese venture will take time to develop, and as such, revenues associated with the Chinese wholly owned foreign enterprise (WFOE) will not be sufficient to offset the start-up costs that will be incurred in 2016 and 2017. The private placement just closed will be deploying approximately 65% of the funds raised to execute the Chinese WFOE's business plan and 35% will be used as working capital to support Tornado's North American operations. We have hired a President and COO of the Chinese WFOE, established a seasoned Board of Directors and opened an office in Shanghai and Beijing. We will keep our shareholders apprised of material developments in this virgin hydrovac market as we execute the business strategy that has been developed over the past three years of market research that was conducted by the Company.

"We are very pleased to have a fresh start with an injection of assets and cash totaling \$20 million. This will allow Tornado to execute a much more aggressive strategy, leveraging our new and improved, patents pending, hydrovac truck technology, both here in North America and in the new market of China. We were restricted in our growth plans before and now have an opportunity to execute our growth strategy," said Bill Rollins, CEO of Tornado Global Hydrovacs Ltd.

About Tornado Global Hydrovacs Ltd.

The Company designs, manufactures and sells hydrovac trucks for excavation service providers to the oil and gas industry and the municipal markets. Hydrovac trucks use high pressure water to pulverize soil and turn it into mud, and then vacuum up the resulting mud into its tank. Tornado currently operates in North America and intends to expand its hydrovac business into China.



For more information about Tornado, visit www.tghl.ca or contact:

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Advisory

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither the Exchange nor its Regulation Service Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release

Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events. All statements other than statements of historical fact are forward-looking statements. The use of the words "may", "expected", "believes", "anticipates" and other words of a similar nature are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although Tornado believes these statements to be reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. Such statements include statements with respect to the anticipated benefits of the spin out of Tornado from Empire, the market for hydrovac trucks, and anticipated effect of Tornado's newly designed hydrovac truck. . Actual results could differ materially from those anticipated in these forward-looking statements as a result of prevailing economic conditions, receipt of requisite regulatory approvals, and other factors, many of which are beyond the control of Tornado. The forward-looking statements contained in this news release represent Tornado's expectations as of the date hereof, and are subject to change after such date. Tornado disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable securities regulations.