



## Tornado Global Hydrovacs Reports Third Quarter 2016 Results

**CALGARY, Nov 29, 2016** – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TGH: TSX-V) provides the following report of its financial results for the third quarter of 2016.

### Summary of the Third Quarter 2016 results

- Revenues decreased by \$0.8 million to \$2.9 million from \$3.7 million in third quarter 2015
- Adjusted EBITDA decreased by \$0.7 million to a loss of \$0.8 million from loss of \$0.1 million in third quarter 2015
- Net Loss of \$1 million compared to a Net loss of \$0.4 million in third quarter 2015
- Net Loss was \$0.03 per share in the third quarter 2016
- 40% of the Net Loss of \$1 million in the third quarter of 2016 was attributable to the new business development activities in relation to the China growth strategy, including hiring a President and COO of the China WFOE, establishing a headquarter office in Beijing and continued market study and business development initiatives.

Periods ended September 30 ((\$000's, except for percentages))	Nine months ended			Quarter ended		
	2016 \$	2015 \$	Variance \$	2016 \$	2015 \$	Variance \$
Operating Results:						
Revenues	12,074	15,026	(2,952)	2,928	3,715	(787)
Adjusted EBITDA	(1,560)	(130)	(1,430)	(840)	(122)	(718)
Adjusted EBITDA %	(12.9%)	(0.9%)	(12.0%)	(28.7%)	(3.3%)	(25.4%)
Net Income (loss)	(1,822)	(826)	(996)	(999)	(351)	(648)
Net Income (loss) per share	(0.03)	-	-	(0.02)	-	-

	September 30 2016	December 31 2015
(000)		
<b>Financial Position</b>		
Total assets	\$19,591	\$8,682
Long-term debt (including current portion)	\$2,835	\$35
Shareholders' equity	\$14,284	\$7,054
Shares Outstanding (Basic)	59,480	NA
Shareholders' equity per share	\$0.24	NA

<sup>1</sup> 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. (“Empire”) successfully spun its Tornado Hydrovac Business 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 investors 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. 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 has been talking with a few strategic partners in the USA that are planning to build large fleets of Hydrovac trucks and has a few prospective sales orders in quarter four and next year. The Company has also hired a new sales person who has relevant industry experience and extensive contacts with US customers to further enhance the sales in US market.
- The Company’s 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 and is anticipated to be well received in the North American market.
- Approximately 65% of the proceeds of the recently closed private placement will be deployed to execute the China 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 China WFOE, established a seasoned Board of Directors and opened an office in Shanghai and Beijing. Earnings from the Chinese venture will take time to develop, and as such, revenues associated with the China WFOE will not be sufficient to offset the start-up costs that will be incurred in 2016 and 2017.
- China is also ramping up the business development activities by building up team with expertise in the industry, doing more market investigation and preparing marketing plan for the activities upon the arrival of demo trucks.

“We had a tough third quarter this year due to the significant drop in demand caused by low oil prices and the corresponding reduction in oil production and pipeline construction and associated capital expenditures. However, we took advantage of this slow time to completely redesign our hydrovac truck both for North America and China. The patent pending, design changes offer compelling advantages over all the other hydrovac trucks in the market. We are determined to make the Tornado hydrovac truck be the industry leading, truck of choice. We’ve made good progress in executing our China business development plans. We have opened our head office in Beijing and an experienced, high quality team has been hired including President and VP Sales of our Chinese wholly owned subsidiary. We have already started to manufacture three demonstration trucks for the China market and expect to send them to China early in 2017.” said Bill Rollins, CEO of Tornado Global Hydrovacs Ltd.



**About Tornado Global Hydrovacs Ltd.**

The Company designs and manufactures hydrovac trucks in Canada and sells hydrovac trucks for excavation service providers to the oil and gas industry and the municipal markets in Canada and the USA. The Company has established a wholly owned operation in China with a head office in Beijing to leverage its hydrovac intellectual property in this promising excavation market. 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](http://www.tghl.ca) or contact:

Bill Rollins  
Chief Executive Officer  
Phone: (403) 204-6333  
Email: [brollins@tghl.ca](mailto:brollins@tghl.ca)

Connie Ping  
CFO and Vice President Administration  
Phone: (204) 204-6392  
Email: [cping@tghl.ca](mailto:cping@tghl.ca)

**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.*