

News Release Preview

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SunSi Reports Fourth-Quarter and Full-Year 2011 Results

Company Achieves First Quarterly Profit

NEW YORK, Sept. 12, 2011 (GLOBE NEWSWIRE) -- SunSi Energies Inc. ("SunSi") (OTCQB:SSIE), a specialty chemical provider to the solar industry, today announced its operating results for the fourth quarter and year ended May 31, 2011:

Fourth Quarter

Revenue totaled \$10.5 million for the fourth quarter ended May 31, 2011. The Company did not record any revenues in the fourth quarter ended May 31, 2010. EBITDA (Non-GAAP) was \$823,927 in the current period versus a negative (\$123,250) in the corresponding period last year. Income from operations before income taxes and non-controlling interest was \$597,385 for the fourth quarter ended May 31, 2011, compared to a loss of (\$123,250) for the same period ended May 31, 2010.

Full Year

Revenue totaled \$15.1 million for the full year ended May 31, 2011. The Company did not record any revenues in the full year ended May 31, 2010. EBITDA (Non-GAAP) was \$330,202 in the current period versus a negative (\$621,835) in the corresponding period last year. Income from operations before income taxes and non-controlling interest was \$103,660 in 2011, compared to a loss of (\$621,835) for the same period ended May 31, 2010.

During the latter half of fiscal 2011, SunSi transitioned from a development stage company into a full-scale operating entity. In December 2010, SunSi completed its first transaction; the acquisition of a 90% equity interest in Zibo Baokai Commerce and Trade Co., Ltd. ("Baokai"), a trichlorosilane ("TCS") distribution company, based in China. TCS is a critical raw material necessary to produce polysilicon which is used in the production of an estimated 75% of all solar panels in the world today. In March 2011, the Company completed its second acquisition, a 60% equity interest in Wendeng He Xie Silicon Industry Co., Ltd. ("Wendeng"), a TCS manufacturing facility located in Weihai City, China. Prior to these acquisitions the Company did not record any revenue, and only incurred expenses.

2011 and Recent Highlights

- Closed its first acquisition of 90% of a TCS distribution company, Baokai, in December 2010.
- Closed its second transaction with the acquisition of a 60% equity interest in a TCS manufacturing company, Wendeng, in March, 2011.
- In 3Q11, emerged from development stage status to an operating entity.
- In 4Q11, began generating significant revenues and recorded the first profitable quarter in Company history.
- In June 2011 the Company fulfilled its payment obligation to Wendeng when \$2.7 million in redeemable SunSi common stock was converted to equity.
- Initiated the up-listing process to a major exchange for SunSi's common stock.
- Significantly increased company visibility, with daily trading volume reaching a recent peak of tens of thousands of shares compared to only hundreds per day just a few months ago.
- Raised total shareholder count from 45 shareholders of record in 2010, to 424 shareholders of record in 2011.
- Entered into negotiations to acquire a scalable TCS manufacturing facility with current production capacity of 20,000 metric tons ("MT") and infrastructure in place to expand to 60,000 MT.

- Shipped first TCS order outside of China.
- Completed Phase I of Wendeng's capacity expansion which increased production capacity from 20,000 to 30,000 metric tons. The extra 10,000 MT of capacity is expected to be fully operational by mid-to- late October 2011. Management expects that all of the new capacity at Wendeng will be fully utilized due to strong customer demand.

Fiscal 2012 Financial Guidance

SunSi will announce its first quarter and full year 2012 financial guidance via an upcoming press release, to be issued on September 20, 2011.

David Natan, SunSi Energies' Chief Executive Officer, said, "During fiscal 2011, we accomplished our objectives by consummating two accretive acquisitions, and fully integrating their operations. During the fourth quarter of 2011 we reached an important milestone through the generation of positive EBITDA and net profitability, and we are very confident that we have built a solid foundation for our business going into 2012. We currently control 55,000 metric tons of TCS production, and are focused on reaching our goal of controlling 140,000 metric tons or more of TCS production by the end of calendar 2012; which equates to a business with revenue potential in excess of \$200 million per year. Additionally, our balance sheet remains strong with no long-term debt, and a clean capital structure."

Richard St-Julien, SunSi Energies' President and Chairman of Chinese Operations, stated, "I am very encouraged by the progress we have made this year. Last week we announced that we shipped our first TCS order outside of China to the largest polysilicon maker in Russia. We are supplying our high quality TCS to some of the top polysilicon makers in the world. Our high level of production, new business development activity and the sheer number of new inquiries we continually receive from numerous Tier 1 and Tier II entities from around the world, bode well for our future. In a very competitive worldwide solar industry where capital preservation and timing is critical, we provide an excellent alternative to those companies seeking to outsource a portion of their TCS needs. We will continue to work diligently in 2012 to deliver shareholder value and to expand our TCS business worldwide."

Financial Results and Non-GAAP Measures

SUNSI ENERGIES INC.

Consolidated Statements of Operations

	Three Months Ended May 31,		Year Ended May 31,	
	2011	2010	2011	2010
Sales	\$ 10,460,428	\$ --	\$ 15,082,788	\$ --
Cost of goods sold	<u>8,516,607</u>	<u>--</u>	<u>13,044,999</u>	<u>--</u>
Gross margin	1,943,821	--	2,037,789	--
Operating expenses:				
Professional fees	314,638	138,195	618,992	580,981
General and administrative	<u>1,031,798</u>	<u>(14,945)</u>	<u>1,315,137</u>	<u>40,854</u>
Total operating expenses	<u>1,346,436</u>	<u>123,250</u>	<u>1,934,129</u>	<u>621,835</u>
Income (loss) from operations before income taxes	597,385	(123,250)	103,660	(621,835)
Provision for income taxes	<u>232,735</u>	<u>--</u>	<u>256,227</u>	<u>--</u>
Net income (loss)	364,650	(123,250)	(152,567)	(621,835)
Less: Net income attributable to noncontrolling interests	<u>259,931</u>	<u>--</u>	<u>266,979</u>	<u>--</u>
Net income (loss) attributable to SunSi Energies Inc. common stockholders	<u>\$ 104,719</u>	<u>\$ (123,250)</u>	<u>\$ (419,546)</u>	<u>\$ (621,835)</u>

Basic and diluted earnings (loss) per share

\$ \$ \$ (0.02) \$ (0.02)

Weighted-average number of common shares outstanding:

Basic and diluted	<u>28,965,266</u>	<u>27,211,250</u>	<u>27,675,252</u>	<u>26,972,486</u>
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SUNSI ENERGIES INC.

Consolidated Balance Sheets

	May 31, 2011	May 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 640,880	\$ 598,468
Accounts receivable, net	4,669,490	--
Notes receivable	941,314	--
Inventory	563,579	--
Prepaid expenses and other current assets	399,086	--
Total current asset	7,214,349	598,468
Fixed assets	7,559,369	--
Goodwill	3,357,277	--
Intangible assets, net	3,025,489	--
Related party receivables	1,177,204	--
Other assets	248,879	--
Total assets	\$ 22,582,567	\$ 598,468

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 5,320,381	\$ 149,538
Accrued liabilities	256,444	--
Advances payable	--	230,981
Related party payables	5,535,149	5,671
Income taxes payable	1,561,112	--
Total current liabilities	12,673,086	386,190
Total liabilities	12,673,086	386,190

Commitments and contingencies	--	--
Redeemable common stock and capital in excess of \$0.001 par value. 1,349,628 shares, included in issued and outstanding below	2,707,488	--

Stockholders' Equity:

SunSi Energies Inc stockholders' equity:

Preferred stock, \$0.001 par value. 25,000,000 shares authorized; zero shares issued and outstanding	--	--
Common stock, \$0.001 par value. 75,000,000 shares authorized; 29,436,928 and		

27,312,500 shares issued and outstanding as of May 31, 2011 and 2010, respectively	29,437	27,312
Additional paid-in capital	5,057,252	1,018,764
Retained earnings (accumulated deficit)	(1,253,344)	(833,798)
Accumulated other comprehensive income	100,896	--
Total SunSi Energies Inc. stockholders' equity	3,934,241	212,278
Noncontrolling interests	3,267,752	--
Total equity	7,201,993	212,278
Total liabilities and stockholders' equity	<u>\$ 22,582,567</u>	<u>\$ 598,468</u>

SUNSI ENERGIES INC.

Non-GAAP Measure - Consolidated Earnings Before Depreciation, Amortization, Interest and Taxes ("EBITDA")

	Three Months Ended May 31,		Year Ended May 31,	
	2011	2010	2011	2010
Net income (loss)	\$ 364,650	\$ (123,250)	\$ (152,567)	\$ (621,835)
Depreciation	122,652	--	122,652	--
Amortization	103,890	--	103,890	--
Interest	--	--	--	--
Taxes	232,735	--	256,227	--
EBITDA	<u>823,927</u>	<u>(123,250)</u>	<u>330,202</u>	<u>(621,835)</u>
Less: EBITDA attributable to noncontrolling interests	<u>180,198</u>	<u>--</u>	<u>182,203</u>	<u>--</u>
EBITDA attributable to SunSi Energies Inc. stockholders	<u>\$ 643,729</u>	<u>\$ (123,250)</u>	<u>\$ 147,999</u>	<u>\$ (621,835)</u>

SUNSI ENERGIES INC.

Reconciliation of GAAP Earnings to Non-GAAP Earnings

	Three Months Ended May 31,		Year Ended May 31,	
	2011	2010	2011	2010
Net income (loss) attributable to SunSi Energies Inc. common stockholders	\$ 104,719	\$ (123,250)	\$ (419,546)	\$ (621,835)
Earnings (loss) per share, basic and fully diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

Add: Amortization of intangibles assets identified in

Wendeng acquisition	116,170	--	116,170	--
Less: Effect of income taxes	(29,043)	--	(29,043)	--
Less: Effect of noncontrolling interests	(34,851)	--	(34,851)	--
Non-GAAP earnings attributable to SunSi Energies Inc. common stockholders	<u>\$ 156,995</u>	<u>\$ (123,250)</u>	<u>\$ (367,270)</u>	<u>\$ (621,835)</u>
Non-GAAP earnings (loss) per share, basic and fully diluted	<u>\$ 0.01</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted-average number of common shares outstanding:				
Basic and diluted	<u>28,965,266</u>	<u>27,211,250</u>	<u>27,675,252</u>	<u>26,972,486</u>

About SunSi Energies Inc.

SunSi Energies' goal is to become one of the world's largest producers of trichlorosilane (TCS). The Company plans to achieve this objective by acquiring and developing a portfolio of high-quality, scalable, strategically located TCS production facilities that possess a potential for future growth and expansion. U.S. based SunSi controls approximately 55,000 metric tons of TCS production in China. TCS is a chemical primarily used in the production of polysilicon, which is an essential raw material in the production of solar cells for PV panels that convert sunlight to electricity. TCS is considered to be the first product in the solar PV value chain before polysilicon, and is also the principal source of ultrapure silicon in the semiconductor industry. For further information, please visit the company's website at <http://www.sunsienergies.com>.

Non-GAAP Financial Measures

From time to time, SunSi management may publicly disclose certain "non-GAAP financial measures" in the course of its financial presentations, earnings releases, earnings conference calls, and otherwise. For these purposes, the SEC defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial positions, or cash flows that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements, and vice versa for measures that include amounts, or is subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure so calculated and presented. For these purposes, "GAAP" refers to generally accepted accounting principles in the United States. Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Pursuant to the requirements of Regulation G, whenever the Company refers to a non-GAAP financial measure, the Company will also generally present, the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure it references with such comparable GAAP financial measure.

Forward-Looking Statements

This news release contains forward-looking statements related to the future financial condition and results of SunSi's operations. Forward looking statements are based on SunSi's current expectations and estimates regarding: TCS markets and industry in which we operate being the most profitable segment of the solar energy value chain and management's beliefs and assumptions regarding these markets, qualifying for a listing on a major exchange, increasing the trading volume and price of SunSi's stock, future earnings and revenue projections, receiving additional TCS orders from companies outside of China, completion of our Wendeng expansion plan, achieving our overall expansion plan, and other TCS related acquisition transactions, and uplisting to a major exchange.

These statements are subject to important risks and uncertainties, which are difficult to predict, and

assumptions which may prove to be inaccurate. Some of the factors that could cause results or events to differ materially from current expectations include, but are not limited to: general economic conditions, market or business conditions; general stock market performance; the performance of the solar energy industry in general; changing competitive environment; changing regulatory conditions or requirements; changing technology; raising sufficient capital to fund the expansion of Wendeng to 75,000 MT; the price of TCS sold within China and outside of China; the level of production by the Wendeng factory; our joint venture Baokai's success in attaining new clients under its TCS distribution agreement; the decision by a major to reject the Company's application for listing; the decision by companies located outside of China to purchase TCS and success in implementing productivity initiatives.

Some of these factors are largely beyond the control of SunSi. Should any factor impact SunSi in an unexpected manner, or should assumptions underlying the forward-looking statements prove incorrect, the actual results or events may differ materially from the results or events predicted. All of the forward-looking statements made in this document are qualified by these cautionary statements, therefore, there can be no assurance that the results or developments anticipated by SunSi will be realized or, even if substantially realized, that they will have the expected consequences for SunSi. Readers should not place undue reliance on any forward-looking statements. Furthermore, SunSi disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or any other occurrence.

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