



ForceField Energy Completes Acquisition of ESCO Energy Services, a Leader in Energy Efficiency Upgrades and Lighting Retrofit Projects

*Establishes Strong National Platform in the Lighting Sector
With Significant Eastern U.S. Presence*

NEW YORK, NY (Globe Newswire-October 20, 2014) [ForceField Energy Inc.](#) (“ForceField” or the “Company”) (NASDAQ: FNRG), a designer, seller and distributor of energy products and solutions, today announced that it completed the acquisition of [ESCO Energy Services Company](#) (“ESCO”). Based in Lenox, Massachusetts, ESCO is a leader in energy efficiency upgrades and lighting retrofit projects with strong utility company relationships and long-standing master agreements with global engineering firms.

For the twelve months ended June 30, 2014, ESCO generated unaudited revenue of approximately \$10.0 million and EBITDA of approximately \$1.2 million. ForceField expects ESCO’s operating margins will be enhanced on a going forward basis once ESCO is fully integrated into ForceField Energy by taking advantage of certain additional synergies. The transaction is expected to be accretive to ForceField earnings in 2014 and in future years.

Under the terms of the purchase agreement, ForceField acquired all the outstanding equity in ESCO for total consideration of \$7.5 million which included \$1.0 million in cash; the issuance of \$2.5 million in restricted common stock; and the issuance to the selling shareholder of two secured notes which includes a \$2.5 million note bearing interest at 5% due in April 2016, and a \$1.5 million note due on November 16, 2014. Additionally, concurrent with the closing of the transaction, ForceField paid approximately \$1.5 million in cash to retire all of the bank debt on ESCO’s balance sheet.

ESCO HIGHLIGHTS

- A strong reputation for over two decades for providing energy and cost saving solutions.
- Rapidly growing customer base in the private sector and strong relationships with high-profile national energy services companies.
- Long-standing relationships with major utilities, which we believe gives ESCO a significant competitive advantage. ESCO helps advise utilities on the creation and implementation of new rebate programs that encourage lighting retrofits.
- Dynamic growth potential across the energy conservation industry.
- Multiple potential growth channels include expanding alliances with utilities, adding rebate programs, expanding energy conservation service offerings and services to include HVAC and other energy-saving services.

- Proprietary cloud-based proposal generation system and automated audit data and rebate processing capabilities.
- Highly experienced utility incentive processing team.
- Reliable, local support and experience for successful street light LED conversions.

ESCO has successfully completed thousands of projects for a variety of businesses, institutions and government agencies across virtually all facility types under an array of conditions. Geographically, ESCO serves the U.S. market nationwide, though approximately eighty percent (80%) of its service areas are primarily east of the Mississippi, including a strong presence within New York, New Jersey, New England, Washington, D.C., Connecticut and west through Pennsylvania. Clients include Fortune 500 companies, prominent educational institutions, real estate investment and management firms, hospitals, manufacturers, retailers, parking garage and cold storage operators, government facilities and school districts across North America. An extensive client list can be found at www.goesco.com/clients/index.html. ESCO also partners with some of the nation's largest utilities to gain access to end user client projects.

Mitchell Barack, President of ESCO commented: "This is an extremely exciting time for ESCO as we join with ForceField to create what we believe will be one of the most experienced and diverse national players in the LED and energy efficiency services marketplace. At ESCO, we have spent more than 20 years building a strong regional footprint which we believe can now be better leveraged within our core markets as a result of expanded capabilities and outside the region as a result of being part of a larger organization with greater access to clients, talent and capital".

Mr. Barack continued, "Most recently, we were selected as one of three LED street lighting retrofit suppliers across more than 150 towns and cities in Connecticut, which could result in millions of dollars of incremental revenue starting in 2015. As more municipalities, utilities, and businesses of all sizes continue to better understand the energy and operational savings, the environmental benefits, and the aesthetic and potential safety benefit of LED lighting, we believe being part of ForceField will create greater opportunity for both ESCO and ForceField combined."

Richard ST Julien, ForceField's Executive Chairman and President of its LED Division, stated "Adding one of the most respected and highly experienced energy efficiency and LED lighting retrofit companies in the Eastern United States, ESCO is a perfect complement to ForceField and combined with our American Lighting ("ALD") business it creates a powerful national platform. With the ability to design and install tailored energy efficiency solutions to a growing customer base that includes leading utilities, Fortune 500 companies and diverse small and medium size businesses, we believe we are well positioned for fast growth in the coming months and years."

Mr. ST Julien further added: "As we integrate ESCO into our existing operations over the next twelve months, we believe there will be additional synergies that will accrue as a result of our national footprint and more diverse capabilities. These include improved sales and marketing opportunities within existing and new regions which should further enhance our underlying revenue growth as well as expanded operating margin potential as a result of improved product purchasing efficiencies, new service capabilities and better overhead absorption. When

combined with our American Lighting subsidiary, the addition of ESCO will solidify ForceField's position in the LED and energy efficiency marketplace on a national level and strengthens our capabilities to address the rapidly expanding needs of both domestic and international clients."

BCMS Capital Advisors LLC acted as the exclusive financial advisor and Seward & Kissel LLP acted as counsel to ESCO Energy Services Company in connection with the transaction. Gusrae Kaplan Nusbaum PLLC acted as counsel to ForceField Energy Inc. in connection with the transaction.

About ESCO Energy Services Company

Based in Lenox, Massachusetts, ESCO Energy Services Company is a leader in energy efficiency upgrades and lighting retrofit projects. ESCO provides full turnkey energy efficiency services that encompass energy audits, engineering, design, materials procurement, project management, installation, metering, measurement, energy savings verification, project funding and utility rebate processing. Through a combination of industry expertise, direct and indirect marketing and sales, key utility company partnerships and long-standing master agreements with global engineering firms, ESCO has delivered on retrofit projects that have resulted in over 300 million square feet of lighting upgrades. www.goesco.com or www.lightingretrofit.com

About ForceField Energy Inc.

ForceField Energy Inc. and its subsidiaries comprise a global company whose products and solutions focus on sustainable energy solutions and improved energy efficiency. ForceField is a distributor of LED and other lighting products for a number of premier LED lighting manufacturers; and through its award-winning subsidiaries, American Lighting and ESCO, have completed lighting installations and retrofits as well as energy efficiency upgrades, for numerous high profile concerns in a variety of industries. ForceField is also a licensee of modular, heat recovery systems that convert waste heat into clean electricity. www.forcefieldenergy.com

Forward-Looking Statements

Except for statements of historical fact, the matters discussed in this press release are forward looking. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "future," "anticipates" or "anticipated," "believes," "estimated" or "estimates," "plan" or "planned," "expects" or "projected." These forward-looking statements reflect numerous assumptions and involve a variety of risks and uncertainties, many of which are beyond ForceField's control that may cause actual results to differ materially from stated expectations. Some of the factors that could cause actual results to differ materially from the forward-looking statements contained herein include (i) failure to obtain adequate financing to achieve ForceField's LED objectives; (ii) unsuccessful installation and efficacy of the Company's LED lighting products; (iii) the ESCO transaction not being accretive to ForceField's earnings; (iv) failure of the ESCO Connecticut lighting project to generate expected revenue in 2015 (v) inability to improve ESCO growth rate and operating margins, and (vi) other factors, without limitation, which are set forth in documents we file from time to time with the Securities and Exchange Commission, which are available at www.sec.gov. For a written description of these

factors, see the section titled “Risk Factors” in the Company’s Form 10-K for the fiscal year ended December 31, 2013 and any updating information in subsequent SEC filings. The Company disclaims any intention or obligation to update these forward-looking statements whether as a result of subsequent events or otherwise, except as required by law.

Contact information

ForceField Energy Inc.

Richard ST Julien

(212) 672-1786

www.forcefieldenergy.com