



## **SunSi Poised to Benefit from Projected Increase in Chinese Solar Demand**

NEW YORK, January 30, 2012 (GLOBE NEWSWIRE) -- SunSi Energies Inc. ("SunSi") (OTCQB:SSIE), a provider of the specialty chemical trichlorosilane ("TCS") to polysilicon makers in the solar industry, today highlighted how it is positioned to be a beneficiary of the expected solar market rebound in 2012. SunSi's management's views are in lockstep with recent comments about the "solar market outlook" made by the chief executive officers of two of the solar industry's top five manufacturers. These views were published in a Bloomberg News featured article on Friday, January 27, 2012, entitled: "*Solar CEO's Predict Boom in China Will Ease Glut in 2012: Energy.*" <http://www.bloomberg.com/news/2012-01-26/solar-ceos-predict-boom-in-china-will-ease-glut-in-2012-energy.html>

Trichlorosilane is a critical raw material used to produce polysilicon; a key component used in the manufacturing of approximately 75% of all solar panels worldwide. A recent global oversupply of polysilicon resulting in pricing and volume declines has had a negative impact on SunSi's TCS business based in China. Consistent with the views expressed in the above referenced publication, the Company believes the current oversupply is short term in nature and will be absorbed as the market begins to rebound in 2012. Industry executives and experts quoted in the article forecast that global demand could rise between 20% and 40% in 2012, with demand in China believed to potentially double.

Polysilicon prices have been trending marginally higher in early 2012 which should indicate that market pricing and demand are beginning to stabilize. SunSi's China-based subsidiaries have a history of generating profitability and EBITDA through the sale of its high quality TCS. As the rebound occurs, the Company expects to benefit through improved operating results for the following reasons:

- Realization of improved gross margins as a result of recently negotiated 10-15% price decreases in essential raw materials used to manufacture TCS.
- Continued key supplier relationships with two of the top three polysilicon producers worldwide.
- Flexibility to address increased potential demand in what may now be the industry's lowest factory cost structure, with a current 55,000 metric tons of capacity, scalable to 100,000 metric tons, and staffed by experts with 30 years of industry experience.
- Demonstrated ability to generate TCS sales outside of China; in final discussions with a number of new potential TCS buyers outside of China interested in purchasing the Company's TCS.
- Increased market share resulting from an expected industry consolidation.
- Sustained leveraging of low corporate overhead.

Richard St-Julien, SunSi's Chairman of the Board stated, "The executives' opinions quoted in the Bloomberg article closely parallel SunSi's current view of the solar marketplace. We believe

there will be a rebound in 2012, and that the strongest companies with proven management and “lowest cost” structures will emerge as leaders in this industry. We are confident that SunSi is one of those companies; and that the solar market is in a growth trajectory in China and abroad. Our ability to produce high quality TCS and offer it for sale at competitive prices both within and outside of China is the cornerstone of our business and will be the foundation of our success moving forward.”

### **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 regarding SunSi, 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, NASDAQ approval for a listing of our common stock on the NASDAQ Capital Market, increasing the trading volume and price of SunSi's stock, future earnings and revenue projections, receiving new TCS orders, the price of TCS, the level of orders, completion of our Wendeng expansion plan, rebound of the solar market in 2012 obtaining new customers outside of China, achieving our overall expansion plan, and other TCS related acquisition transactions. 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 and the price of polysilicon; 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 the NASDAQ 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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