



SunSi Reports First Quarter 2012 Results

NEW YORK, May 22, 2012 (GLOBE NEWSWIRE) -- SunSi Energies Inc. ("SunSi") (OTCQB:SSIE), a provider of the specialty chemical trichlorosilane (TCS), today announced its operating results for its first fiscal quarter ended March 31, 2012.

Sales totaled \$507,627 for the three months ended March 31, 2012, compared to \$5.5 million in the prior year period. Net loss per diluted share for the quarter was (\$0.02), compared to break-even results in the first quarter 2011. EBITDA, a non-GAAP measure, was a negative \$405,525 in the first quarter 2012, versus positive EBITDA of \$124,646 in the comparable period last year.

Jason Williams, SunSi's CFO stated, "Despite a very challenging situation in both the Chinese and global TCS marketplaces, we have been able to minimize our cash consumption due to our low corporate and operational overhead structures. We realized an almost \$475,000 improvement in cash used in operating activities over the prior year quarter. We will continue to closely monitor our liquidity in order to better position SunSi for the improvement we anticipate within the industry during the latter half of 2012."

David Natan, SunSi Energies' Chief Executive Officer, said, "The unprecedented global conditions surrounding polysilicon and TCS created a very challenging environment for SunSi this past period. While some of the polysilicon surplus remains, we continue our efforts to secure new orders and diligently manage our operations. We are confident that our operating results for the first quarter will represent the low-water mark for the SunSi and its TCS business. As the low cost producer and operator of one of the top TCS facilities in China, we believe that we are well positioned to emerge as a prominent TCS provider with the continued stabilization of the market. Furthermore, consolidation within our industry has started to occur which supports our current and long term objective as a TCS production leader."

Mr. Natan continued, "We are very excited about the diversification and growth opportunities presented by the renewable energy industry. We are working to complete our transaction to acquire a majority stake in TransPacific Energy, Inc. (TPE), a designer and seller of innovative and proprietary energy systems that maximize heat recovery and convert waste heat directly into electrical energy, by the end of June 2012. We are optimistic that our financial results will benefit from the combination as early as the third quarter of 2012. This transaction is a major step in our acquisition strategy and represents a significant opportunity for the Company and its shareholders."

Financial Results and Non-GAAP Measures

SUNSI ENERGIES INC. Consolidated Balance Sheets

	March 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 332,460	\$ 674,291
Accounts receivable, net	3,689,423	3,773,556
Notes receivable	158,700	559,325
Inventory, net	411,043	657,287
Prepaid expenses and other current assets	115,196	207,837
Total current assets	4,706,822	5,872,296
Fixed assets		
Goodwill	608,190	608,953
Intangible assets, net	2,992,262	3,142,997
Accounts receivable, net — non-current	34,637	--
Related party receivables — trade	608,106	489,595
Other assets	21,710	21,737
Total assets	<u>\$ 16,879,932</u>	<u>\$ 18,025,710</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 2,827,327	\$ 3,333,500
Accrued liabilities	389,431	373,802
Related party payables	5,683,435	5,665,245
Income taxes payable	721,464	886,050
Total current liabilities	9,621,657	10,258,597
Convertible debenture	100,000	100,000
Total liabilities	9,721,657	10,358,597
Commitments and contingencies	--	--
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; 30,070,628 and 30,005,628 shares issued and outstanding as of March 31, 2012 and December 31, 2011, respectively	30,071	30,006
Additional paid-in capital	8,940,206	8,855,271
Accumulated deficit	(4,166,059)	(3,701,526)
Accumulated other comprehensive income	288,787	280,024
Total SunSi Energies Inc. stockholders' equity	5,093,005	5,463,775
Noncontrolling interests	2,065,270	2,203,338
Total equity	7,158,275	7,667,113
Total liabilities and equity	\$ 16,879,932	\$ 18,025,710

SUNSI ENERGIES INC.

Consolidated Statements of Operations and Comprehensive Loss

	Three Months Ended March 31,	
	2012	2011
Sales	\$ 507,627	\$ 5,501,363
Cost of goods sold	475,325	4,986,916
Gross margin	32,302	514,447
Operating expenses:		
Professional fees	141,710	91,705
General and administrative	605,119	170,539
Total operating expenses	746,829	262,244
Income (loss) from operations	(714,527)	252,203
Interest expense, net	2,250	--
Income (loss) before income taxes	(716,777)	252,203
Provision for income taxes (benefit)	(114,176)	116,395
Net income (loss)	(602,601)	135,808
Less: Net income (loss) attributable to noncontrolling interests	(138,068)	120,357
Net income (loss) attributable to SunSi Energies Inc. common shareholders	\$ (464,533)	\$ 15,451
Basic and diluted earnings (loss) per share	\$ (0.02)	\$ 0.00
Weighted-average number of common shares outstanding:		
Basic and diluted	30,020,628	27,953,734
Comprehensive income (loss):		
Net income (loss)	\$ (464,533)	\$ 15,451
Foreign currency translation adjustment	8,763	40,008

Comprehensive income (loss)	(455,770)	55,459
Comprehensive income (loss) attributable to noncontrolling interests	<u>(138,068)</u>	<u>120,357</u>
Comprehensive income (loss) attributable to SunSi Energies Inc.	<u>\$ (593,838)</u>	<u>\$ 175,816</u>

SUNSI ENERGIES INC.

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

	For the three months ended March 31, 2012	For the three months ended March 31, 2011
Net income (loss)	\$ (602,601)	\$ 135,808
Interest	2,250	--
Taxes	(114,176)	116,395
Depreciation	162,419	32,487
Amortization	<u>146,583</u>	<u>22,377</u>
EBITDA	(405,525)	307,067
EBITDA to noncontrolling interests	<u>(60,490)</u>	<u>182,421</u>
EBITDA to shareholders	<u>\$ (345,035)</u>	<u>\$ 124,646</u>

SUNSI ENERGIES INC.

Reconciliation of GAAP Earnings to Non-GAAP Earnings

	For the three months ended March 31, 2012	For the three months ended March 31, 2011
Net income (loss) — SunSi Energies Inc. shareholders	(464,532)	15,451
Earnings (loss) per share, basic and diluted	<u>\$ (0.02)</u>	<u>\$ 0.00</u>
Add: Amortization of intangibles assets — Wendeng acquisition	135,569	21,280
Less: Effect of income taxes	(33,892)	(5,320)
Less: Effect of noncontrolling interests	(40,671)	(6,384)
Non-GAAP earnings — SunSi Energies Inc. shareholders	(403,526)	25,027
Non-GAAP earnings (loss) per share, basic and diluted	<u>\$ (0.01)</u>	<u>\$ 0.00</u>
Weighted-average number of common shares outstanding:		
Basic and diluted	30,020,628	27,953,734

About SunSi Energies Inc.

SunSi Energies' objective 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>. Additionally, SunSi's objective is to significantly expand TPE's proprietary technology both domestically and internationally. For further information regarding Transpacific Energy Inc please visit the company's website at www.transpacenergy.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

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," "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 the company'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, without limitation: (i) TPE being accretive to SunSi earnings in 2012 (ii) competitive viability of TPE's technology, (iii) our ability to leverage markets in China for the TPE product, (iv) integration issues following the acquisition, (v) raising sufficient capital to acquire TPE and (vi) other factors detailed in documents we file from time to time with the Securities and Exchange Commission, which are available at www.sec.gov.

CONTACT:

Jeff Ramson
ProActive Capital Resources Group, LLC
245 Park Avenue, 24th Floor
New York, NY 10167
646-863-6341

www.proactivecrg.com

www.proactivenewsroom.com