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Xebec Announces 2016 First Quarter Operating Results

MONTREAL (QC), May 30th, 2016 - Xebec Adsorption Inc. (TSXV: XBC) ("Xebec"), a provider of gas purification and filtration solutions for the natural gas, field gas, biogas, helium, and hydrogen markets, announced its 2016 first quarter operating results today.

- Revenues of \$2.5 million for the first quarter of 2016 compared to \$3.1 million for the same quarter in 2015, a 20.8% decrease compared to the same period in 2015.
- Net loss of \$1.1 million or \$0.03 per share for the three month period ending March 31, 2016 compared to a minimal net loss of \$0.05 million or \$0.00 per share for the same period in 2015.

Financial Highlights:

unaudited, in thousands of dollars, except per share data	Three months ended		
	March 31, 2016	March 31, 2015	December 31, 2015
Revenue	2,454	3,097	4,001
Gross Profit	360	679	1,450
Gross Profit as a % of Revenues	14.7%	21.9%	36.2%
EBITDA*	(894)	42	(116)
Net Earnings (Loss)	(1,057)	(54)	(979)
Basic EPS	(\$0.03)	\$0.00	(\$0.02)
Diluted EPS	(\$0.03)	\$0.00	(\$0.02)
Weighted Average Number of Shares	39,363,867	39,363,867	39,363,867

*EBITDA refers to earnings before interest, taxes, and amortizations, a non-IFRA measure

Financial Results

Revenues

Xebec posted revenues of \$ 2.5 million for the first quarter of 2016, a 20.8% decrease compared to \$3.1 million in the first quarter of 2015. This decrease is due mainly to a slowdown in China operations.

Order Backlog

As of May 30th 2016, total order backlog stood at \$5.7 million, compared to \$6.9 million as at June 1, 2015.

Gross Margin

Xebec's gross margin as a % of revenues for the first quarter of 2016 amounted to 14.7% (\$0.4 million) compared to 21.9% (\$0.7 million), a 7.2% decrease compared to the same period in 2015.

EBITDA and Net loss

The EBITDA for the first quarter of 2016 amounted to \$(0.9) million compared to \$0.04 million in the first quarter of 2015. This decrease is mainly explained by lower realized gross margins.

The net loss for the first quarter of 2016 totaled \$(1.1) million, or \$(0.03) per share, compared to a minimal net loss of \$(0.05) million, or \$0.00 per share for the same 2015 period.

Selling and administrative expenses increased slightly to \$1.2 million compared to \$1.1 million in the first quarter of 2015.

As of March 31, 2016, the Company had \$1.9 million of cash on hand and a working capital deficit of \$0.5 million.

2016 First Quarter Financial Statements and Management's Discussion and Analysis

The complete financial statements, notes to financial statements and Management's Discussion and Analysis for the three-month period ended March 31, 2016, are available on the Company's Website at www.xebecinc.com or on the SEDAR Website at www.sedar.com.

About Xebec Adsorption Inc.

Xebec Adsorption Inc. is a global provider of clean energy solutions to corporations and governments looking to reduce their carbon footprints. With more than 1,500 customers worldwide, Xebec designs, engineers and manufactures innovative products that transform raw gases into marketable sources of clean energy. Xebec's strategy is focused on establishing leadership positions in markets where demand for renewable energy through gas purification and generation, natural gas dehydration, and filtration is growing. Headquartered in Montreal (QC), Xebec is a global company with two manufacturing facilities in Montreal and Shanghai, as well as a sales office in Houston Texas (USA) and distribution network in North America, Europe, and Asia. Xebec trades on the TSX Venture Exchange under the symbol XBC. For additional information on the company, its products and services, please visit the Xebec website at www.xebecinc.com.

Caution Concerning Forward-Looking Statements

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Certain statements in this press release may constitute "forward-looking" statements within the meaning of applicable securities laws. This forward looking information includes, but is not limited to, the expectations and/or claims of management of Xebec with respect to information regarding the business, operations and financial condition of Xebec. Forward-looking information contained in this press release involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xebec or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This list is not exhaustive of the factors that may affect forward-looking information contained in this press release. When used in this press release, such statements use such words as "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "will" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements.

SOURCE Xebec Adsorption Inc.

For further information:

Kurt Sorschak, President and CEO, 450-979-8701, ksorschak@xebecinc.com
