



SUSTAINCO INC. ANNOUNCES SHARES FOR DEBT AGREEMENTS

TSX VENTURE EXCHANGE: SMS

CANADIAN SECURITIES EXCHANGE: SMS.DB

FOR IMMEDIATE RELEASE

Toronto, Ontario – August 9, 2016 –SustainCo Inc. (the “Company” or “SustainCo”) (TSXV:SMS, CSE:SMS.DB) announces today that it has entered into shares for debt agreements aggregating \$4,618,760.83, with arm's length and non-arm's length parties (collectively, the "**Debt Settlements**"). An aggregate of 6,303,897 common shares of the Corporation ("**Common Shares**") and 1,251,750 Common Share purchase warrants ("**Warrants**") will be issued to unrelated parties in settlement of \$4,097,523.95 of debt, and 801,903 Common Shares will be issued to a related party in settlement of \$521,236.88 of debt. Each Warrant entitles the holder to acquire one Common Share at a price of \$0.65 per Share for a period of five years from the issuance date. The Common Shares and Warrants issued pursuant to the Debt Settlements will not result in a change of control of the Corporation, will be subject to a four-month hold period from the date of issuance, and will be subject to the approval of the TSX Venture Exchange.

As a result of the above agreements, the outstanding secured debentures of the Company will be delisted from the Canadian Securities Exchange and cancelled. Following the transactions described above, the Company will have 9,442,890 issued and outstanding common shares.

About SustainCo Inc.

SustainCo conducts its operations through two wholly-owned subsidiaries, Clean Energy Developments Corp. (“CleanEnergy”) and VCI CONTROLS Inc. (“VCI” or “VCI CONTROLS”).

CleanEnergy is a Canadian industry leading geoexchange company that provides heating and cooling solutions for residential and commercial buildings using energy from the earth. It provides a complete energy solution and is able to provide engineering and design, geo installation, equipment and control systems as well as manage the complete project.

VCI is a leading supplier of building technologies and services that improve comfort, safety, energy efficiency, and occupant productivity. It is an industry leader in the development of intelligent building technology, including the integration of all building systems utilizing the latest in communications technologies and standards. VCI's business focuses on digital controls and mechanical services, performance monitoring, and energy efficiency solutions.

With headquarters in Toronto, SustainCo has offices across Canada including, Halifax, Montreal, Pembroke, Ottawa, and Vaughan. For more information, visit www.sustainco.ca.

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Forward-looking statements, specifically those concerning future performance and other statements that are not historical fact, are subject to

certain risks and uncertainties, and actual results may differ materially from the Company's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by the Company with the Toronto Stock Exchange (the "Exchange") and securities regulators. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Trading in the securities of the Company should be considered highly speculative. All forward-looking information contained in this news release is expressly qualified in its entirety by this cautionary statement.

Neither the Exchange, nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

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