



WATERFURNACE RECEIVES COURT APPROVAL OF ARRANGEMENT WITH NIBE

Fort Wayne, IN, USA–August 21, 2014 – WaterFurnace Renewable Energy, Inc. ("WaterFurnace") (TSX: WFI; TSX: WFI.U) is pleased to announce that the Ontario Superior Court of Justice has approved the proposed plan of arrangement under the *Canada Business Corporations Act* pursuant to which NIBE Industrier AB (publ) of Sweden ("NIBE") will acquire all of the issued and outstanding shares of Waterfurnace (the "Arrangement").

Closing of the Arrangement is scheduled to occur on or about August 25, 2014.

About NIBE

NIBE is an international heating technology company. Operations are organized around three business areas – NIBE Energy Systems, NIBE Element and NIBE Stoves – all united under a shared vision: to create world-class solutions in sustainable energy. The Group has more than 9,000 employees and carries out business operations in Europe, North America, Asia and Australia. In 2013, net sales and operating profit (EBIT) amounted to SEK 9,834 million (US\$1,461 million) and SEK 1,179 million (US\$175 million) respectively. NIBE Energy Systems is a market leader for heat pumps in Europe and one of Europe's major manufacturers of water heaters and other products for indoor climate comfort. The mission of NIBE Energy Systems is to supply homes and other buildings with products that provide domestic hot water and ensure a comfortable indoor climate. The product range comprises both individual heating products and solutions for heating, cooling and heat recovery. NIBE Element is one of the leading international manufacturers of components and solutions for measuring, controlling and electric heating applications. NIBE Element's mission is to supply both manufacturers and users with components and systems within these areas. NIBE Stoves is the European market leader in wood-burning stoves. The business area's mission is to supply the market with attractively designed, value-for-money solid-fuel stoves and chimney systems developed and manufactured with genuine concern for the natural environment.

About WaterFurnace

WaterFurnace is a leading manufacturer of residential, commercial, industrial and institutional geothermal and water source heat pumps. The geothermal units use the renewable solar energy stored just below the surface of the earth to dramatically reduce the energy consumed by buildings for heating, cooling and hot water. Although it earned a reputation as a leader in geothermal heat pumps, WaterFurnace has worked in recent years to innovate new technologies, integrate key trends and grow the core business to represent a portfolio of clean and sustainable solutions.

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Cautionary Statement Regarding Forward-Looking Information

This news release includes certain information that may constitute "forward-looking information" under applicable securities legislation. Forward-looking information includes, but is not limited to, information with respect to the completion of the Arrangement, including the receipt of court approval. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the ability to complete the Arrangement, the receipt of necessary approvals, the ability to satisfy conditions to the Arrangement, the ability to achieve the benefits of the Arrangement and the risks identified in WaterFurnace's annual information form dated March 25, 2014. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. WaterFurnace disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.