

August 13, 2013



## **Profire Energy Reports Record Revenues & Net Income in Q1 FY2014**

**Company Reports Revenues of \$7.1 Million With \$1.6 Million Net Income (After-Tax). Cash Increases 121% From Prior Year**

LINDON, Utah, Aug. 13, 2013 (GLOBE NEWSWIRE) -- Profire Energy, Inc. (OTCBB:PFIE), a technology company which manufactures, installs and services burner management systems and other combustion technologies for the oil and gas industry, today announced that it has filed its Quarterly Report on Form 10-Q for its fiscal quarter ended June 30, 2013 with the U.S. Securities and Exchange Commission.

The Company reported record quarterly revenue and net income (after-tax) for the three months ended June 30, 2013 of \$7,181,580 and \$1,613,984, respectively. These figures represent a 95% increase in revenue and a 185% increase in net income (after-tax) compared to the same period of the prior fiscal year. Earnings per share increased to \$0.04 for the quarter, compared to \$0.01 for the same period of the prior fiscal year. As a percentage of revenues, cost of goods sold increased slightly from 41% to 42%.

"For some time, we have emphasized the need to invest in future growth," said Andrew Limpert, chief financial officer of Profire. "We are seeing revolutionary energy developments taking place in North America—like improved fracking, horizontal drilling, and expanded shale development. With these new technological developments in the industry, we believe our opportunity to bring value-focused innovation to the burner management space is significant—and growing. I believe this past quarter shows our ability to capitalize on this opportunity."

The Company reported a 98% increase in the sales of goods (net), as well as a 52% increase in the sales of services (net), while total operating expenses increased 29%. Profire remains debt free, and continues to finance its growth through organic cash flow.

"Our sales team has done a tremendous job of educating the industry of the value of using burner management systems," said Brenton Hatch, chief executive officer of Profire. "I believe this past quarter says as much about our people as it does about the opportunity in the industry. We estimate there are currently about 1.3 million wells in North America, with between 45,000 and 50,000 new wells for oil and natural gas being drilled this year, and the overwhelming majority of those wells do not yet use sophisticated burner management technology. We are focused both on improving the industry's burner management technologies and maintaining our financial discipline as we do so."

The Company's financial statements (as filed with the Securities and Exchange Commission), as well as an illustration of the Company's quarterly revenues, are both provided below.

**PROFIRE ENERGY, INC. AND SUBSIDIARY**  
Condensed Consolidated Balance Sheets

**ASSETS**

	<u>June 30,</u>	<u>March 31,</u>
	<u>2013</u>	<u>2013</u>
	(Unaudited)	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,791,153	\$ 808,772
Accounts receivable, net	5,937,473	5,879,165
Inventories	4,518,817	3,463,614
Prepaid expenses	<u>29,037</u>	<u>1,967</u>
 Total Current Assets	 <u>12,276,480</u>	 <u>10,153,518</u>
 PROPERTY AND EQUIPMENT, net	 <u>2,133,758</u>	 <u>2,232,355</u>
 TOTAL ASSETS	 <u>\$ 14,410,238</u>	 <u>\$ 12,385,873</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,288,298	\$ 1,499,330
Accrued liabilities	249,404	189,489
Deferred income tax liability	61,313	72,857
Income taxes payable	<u>781,199</u>	<u>161,550</u>
 Total Current Liabilities	 <u>2,380,214</u>	 <u>1,923,226</u>
 TOTAL LIABILITIES	 <u>2,380,214</u>	 <u>1,923,226</u>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred shares: \$0.001 par value, 10,000,000 shares authorized: no shares issued and outstanding	-	-
Common shares: \$0.001 par value, 100,000,000 shares authorized: 45,250,000 and 45,250,000 shares issued and outstanding, respectively	45,250	45,250
Additional paid-in capital	649,161	585,735
Accumulated other comprehensive income	261,433	371,466
Retained earnings	<u>11,074,180</u>	<u>9,460,196</u>

Total Stockholders' Equity	<u>12,030,024</u>	<u>10,462,647</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><b>\$ 14,410,238</b></u>	<u><b>\$ 12,385,873</b></u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**PROFIRE ENERGY, INC. AND SUBSIDIARY**

Condensed Consolidated Statements of Operations and Other Comprehensive Income (Loss)  
(Unaudited)

	For the Three Months Ended	
	June 30,	
	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>		
Sales of goods, net	\$ 6,838,961	\$ 3,451,507
Sales of services, net	<u>342,619</u>	<u>225,766</u>
Total Revenues	<u>7,181,580</u>	<u>3,677,273</u>
<b>COST OF SALES</b>		
Cost of goods sold-product	2,724,480	1,327,716
Cost of goods sold-services	<u>268,197</u>	<u>172,720</u>
Total Cost of Goods Sold	<u>2,992,677</u>	<u>1,500,436</u>
<b>GROSS PROFIT</b>	<u>4,188,903</u>	<u>2,176,837</u>
<b>OPERATING EXPENSES</b>		
General and administrative expenses	839,123	993,880
Research and development	95,930	39,780
Payroll expenses	835,076	341,853
Depreciation expense	<u>61,328</u>	<u>46,458</u>
Total Operating Expenses	<u>1,831,457</u>	<u>1,421,971</u>
<b>INCOME FROM OPERATIONS</b>	<u>2,357,446</u>	<u>754,866</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(10,467)	(1,252)
Rental income	615	-
Interest income	<u>801</u>	<u>69</u>
Total Other Income (Expense)	<u>(9,051)</u>	<u>(1,183)</u>
<b>NET INCOME BEFORE INCOME TAXES</b>	2,348,395	753,683

INCOME TAX EXPENSE	<u>734,411</u>	<u>187,948</u>
NET INCOME	<u>\$ 1,613,984</u>	<u>\$ 565,735</u>
FOREIGN CURRENCY TRANSLATION GAIN (LOSS)	<u>\$ (110,033)</u>	<u>\$ (162,820)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,503,951</u>	<u>\$ 402,915</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.04</u>	<u>\$ 0.01</u>
FULLY DILUTED EARNINGS PER SHARE	<u>\$ 0.04</u>	<u>\$ 0.01</u>
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>45,250,000</u>	<u>45,030,989</u>
FULLY DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>45,727,737</u>	<u>45,128,972</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**PROFIRE ENERGY, INC. AND SUBSIDIARY**  
Condensed Consolidated Statements of Cash Flows  
(unaudited)

	For the Three Months Ended June 30,	
	<u>2013</u>	<u>2012</u>
OPERATING ACTIVITIES		
Net Income	\$ 1,613,984	\$ 565,735
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	81,771	52,143
Common stock issued for services	-	90,000
Bad debt expense	-	9,951
Stock options issued for services	63,427	20,133
Changes in operating assets and liabilities:		
Changes in accounts receivable	(170,636)	472,239
Changes in inventories	(1,110,448)	(207,320)
Changes in prepaid expenses	(27,070)	(33,659)
Changes in accounts payable and accrued liabilities	(104,699)	(80,160)
Changes in income taxes payable	<u>612,273</u>	<u>26,565</u>
Net Cash Provided by Operating Activities	<u>958,602</u>	<u>915,627</u>

INVESTING ACTIVITIES

Purchase of fixed assets	(33,150)	(150,999)
Net Cash Used in Investing Activities	<u>(33,150)</u>	<u>(150,999)</u>

FINANCING ACTIVITIES

Effect of exchange rate changes on cash	56,929	50,806
NET INCREASE IN CASH	982,381	815,434
CASH AT BEGINNING OF PERIOD	<u>808,772</u>	<u>1,914,877</u>
CASH AT END OF PERIOD	<u>\$ 1,791,153</u>	<u>\$ 2,730,311</u>

SUPPLEMENTAL DISCLOSURES OF

CASH FLOW INFORMATION

CASH PAID FOR:

Interest	\$ 10,467	\$ 1,252
Income taxes	\$ 114,762	\$ 171,025

The accompanying notes are an integral part of these condensed consolidated financial statements.

A chart accompanying this release is available at <https://media.globenewswire.com/cache/20898/file/21409.pdf>

To learn more about Profire Energy or its products, please contact Profire Energy or visit [www.ProfireEnergy.com](http://www.ProfireEnergy.com).

**About Profire Energy, Inc.**

Profire Energy assists energy production companies in the safe and efficient transportation, refinement and production of oil and natural gas. As energy companies seek greater safety for their employees, compliance with more stringent EPA standards and enhanced margins with their energy production processes, Profire Energy's burner management systems are increasingly becoming part of their solution. To learn more about the company's products and services, please visit [www.ProfireEnergy.com](http://www.ProfireEnergy.com). Profire Energy has offices in Lindon, Utah; Houston, Texas; and Edmonton, Alberta, Canada.

*Cautionary Note Regarding Forward-Looking Statements. Statements made in this release that are not historical are forward-looking statements. This release contains forward-looking statements, including, but not limited to statements regarding the company's future plans, expectations, beliefs, intentions and prospects, including estimates of the potential size of*

*the market for our products, the nature of the products being used in the market, new and anticipated developments in our industry, our ability to bring innovation to the market and maintain financial discipline and any inference that past results of operations may provide any indication of future results. All such forward-looking statements are subject to uncertainty and changes in circumstances. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business, market, political, public market and regulatory risks and factors identified in the company's periodic reports filed with the Securities Exchange Commission. All forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made only as of the date of this release and the company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.*

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