



PRISTINE
POWER INC.

... a complete approach to power ...

Pristine Power Inc. Announces Second Quarter Financial Results

Calgary, Alberta – August 9, 2010 – Pristine Power Inc. (TSX: PPX) (“Pristine” or the “Company”), an independent Canadian developer and operator of diversified electricity and steam generation facilities, today reported its financial and operational results for the three- and six-month periods ended June 30, 2010.

Highlights

- Net power production increased by 479% to 33,025 MWh in Q2/10, generated by the Company’s three operating plants: Savona, 150 Mile House, and the East Windsor Cogeneration Centre (EWCC).
- Revenue increased significantly to \$6.7 million for Q2/10 due to the commissioning of East Windsor, from \$0.6 million for Q2/09
- In April, the Company was awarded a 10.8 MW Feed-in-Tariff (“FIT”) contract for its Grand Valley Project, which compliments an existing 9.8 MW RESOP contract.
- The Ontario provincial government enacted a regulation that exempts the York Energy Centre project from the Ontario Planning Act, no longer requiring site plan approval for the project and exempting it from the interim control by-law enacted by the Township of King.

“During the second quarter we improved our company’s performance on net power production which translated into significant increase in our top-line revenue,” said Jeff Myers. “Subsequent to the quarter, the Ontario government made a decision to advance the permitting process for the 393MW York Energy Centre project demonstrating the critical importance of this facility in meeting the region’s energy demands. With this progress, we anticipate completing the permitting process in the near future and we are now working to secure non-recourse debt financing for construction of the facility, targeting commencement of commercial operations in the second quarter of 2012.”

In addition, the Company is actively pursuing the development of approximately 2,000 MW of electricity generation prospects, including gas fired generation and co-generation, wind, biomass and run-of-river hydroelectric projects.

Financial Summary

(C\$000’s except per share and production data)	For the three month period ended June 30		For the six month period ended June 30	
	2010	2009	2010	2009
Net production				
Power (MWh) ⁽¹⁾	33,025	5,700	51,754	12,187
Steam (mmbtu) ⁽¹⁾	119,378	-	210,091	-
Revenue:				
Power & steam revenues ⁽¹⁾	5,647	423	10,797	972
Gas sales ⁽¹⁾	461	-	1,460	-
Project management fees	299	148	589	334
Interest & other income ⁽¹⁾	280	4	481	152
Total Revenue	6,687	575	13,327	1,458
Expenses ⁽¹⁾	8,899	3,834	18,276	7,347
Net loss and comprehensive loss	(2,436)	(3,100)	(5,291)	(5,641)
Net loss per share (basic & diluted)	(0.07)	(0.10)	(0.15)	(0.19)
Funds used in operations ⁽²⁾	(812)	(2,380)	(2,164)	(4,533)
Cash & cash equivalents	4,167	19,111	4,167	19,111

Notes:

- (1) Before non-controlling interest share
(2) Funds used in operation is a non-GAAP measure

For the Three Month Period Ended June 30

Revenue in Q2/10 increased to \$6.7 million from \$0.6 million in Q2/09, and primarily consists of sales of power and steam, gas sales and management fees earned from developing, constructing and operating projects. In the second quarter of 2010, revenue from power and steam sales totaled \$5.6 million on net production of 33,025 MWh and steam production of 119,378 mmbtu. Comparatively, revenue from power sales in the second quarter of 2009 was \$0.4 million on net production of 5,700 MWh. The increased power and steam revenue in the three month period ended June 30, 2010 over 2009 reflects the commencement of commercial operations of the EWCC facility on November 6, 2009.

Total expenses in Q2/10 increased to \$8.9 million from \$3.8 million in Q2/09. The increase primarily reflects commencement of operations at the EWCC facility with the remaining increase primarily due to a larger year over year staff complement, and costs associated with the Company's public reporting obligations and a reduction of amounts capitalized to projects.

Development costs, which are a function of the number of bids submitted, the type of project, and the jurisdictional process, totaled \$0.9 million in Q2/10 compared to \$1.1 million in Q2/09. During the quarter, the Company continued to develop its portfolio of wind projects for the Ontario FIT program and SaskPower, its biomass projects in anticipation of the Phase II BioEnergy Call in British Columbia and prospective gas-fired generation projects in Ontario and the western United States.

Net loss in Q2/10 was \$2.4 million (or \$0.07 per share, basic and diluted), lower than the net loss for Q2/09 of \$3.1 million (or \$0.10 per share, basic and diluted). Higher revenue contribution from a full quarter of operations at EWCC was offset by increased general and administration, gas and plant operating costs, depreciation and amortization and interest and finance charges compared to the same period in 2009.

Funds used in operations during Q2/10 were \$0.8 million, lower than the \$2.4 million used in Q2/09, reflecting a second full quarter of operations by the EWCC facility in 2010.

Reconciliation of Funds Used in Operations

C\$ (000's)	For the three month period ended June 30		For the six month period ended June 30	
	2010	2009	2010	2009
Funds used in operations	(812)	(2,380)	(2,164)	(4,533)
Change in operating working capital	3,080	(1,025)	1,684	(771)
Cash used in operations	2,268	(3,405)	(480)	(5,304)

For the Six Month Period Ended June 30

For the six-month period ended June 30, 2010, revenue increased to \$13.3 million from \$1.5 million for the same period in 2009. Expenses increased to \$18.3 million for the first six months of 2010 compared to \$7.4 million for the same period in 2009. Net loss was \$5.3 million (or \$0.15 per share, basic and diluted) for the first six months of 2010 compared to a net loss of \$5.6 million (or \$0.19 per share, basic and diluted) for the same period in 2009. Funds used in operations during the first six months of 2010 were \$2.2 million, lower than the \$4.5 million used in the first six months of 2009.

Project Highlights

East Windsor Cogeneration Centre (EWCC) – 86 MW (gross) gas cogeneration

The EWCC facility commenced commercial operations on November 6, 2009. Unplanned outages of the facility's gas turbines during the first quarter impacted availability during the first half of 2010. The resulting repair and incidental costs were covered by warranty and insurance, subject to related deductibles. Availability in the second quarter reflected the replacement of a leased turbine, which was installed in the first quarter while one of the turbines underwent repairs, with the repaired turbine in May 2010. Due to the lower than expected market dispatch in the second quarter, the results of operations was not significantly impacted by the lower than expected availability.

For the three month period ended June 30	2010	2009
Net production (MWh) ⁽¹⁾	26,405	-
Availability factor	82%	-
Steam production (mmbtu) ⁽¹⁾	119,378	-

(1) before non-controlling interest share

EnPower Green Energy Generation Limited Partnership – 10 MW (gross) waste heat

During the three month period ended June 30, 2010, the EnPower facilities experienced lower than expected seasonal decreases of Spectra pipeline flow normally associated with the spring production months. This resulted in higher production than the comparable period of 2009 despite a scheduled maintenance outage by the Spectra pipeline compressors connected to the 150 Mile House facility in June 2010.

For the three month period ended June 30	2010	2009
Net production (MWh) ⁽¹⁾	6,620	5,700
Combined capacity factor	63%	55%
Availability factor	100%	100%

(1) before non-controlling interest share

York Energy Centre (YEC) – 393 MW (gross) gas turbine – advanced development

During the second quarter, the Company continued to work towards completing the necessary permitting and site plan processes to obtain the required planning approvals for construction, including formal hearings with the Ontario Municipal Board. On July 29, 2010, the provincial government of Ontario approved a regulation that streamlines the land use planning approvals by exempting the facility from the Planning Act. As a result of this regulation, the project no longer requires site plan approval and is exempt from the interim control bylaw enacted by the Township of King. Closing of the debt agreement and commencement of construction is expected to occur in the third quarter of 2010. Commercial operations are anticipated to commence in the second quarter of 2012.

Mackenzie Green Energy Centre (MGEC) – 65 MW (gross) biomass - contracted

The closing of several mills in the region has jeopardized the availability of the biomass fuel required for the Mackenzie project. The MGEC project Electricity Purchase Contract (EPA) with BC Hydro lapsed as of May 31, 2010. The Company formally requested that this date be extended, which BC Hydro has taken under advisement.

Ontario Feed-in-Tariff (FIT) – 90 MW (gross) wind – submitted

During the second quarter, the Company continued to advance its Ontario wind program of which its economic interest is expected to range from 75% to 90% with implementation occurring in two stages. On April 8, 2010, the Company was awarded a 10.8 MW Feed-in-Tariff (“FIT”) contract for its Grand Valley project, located near Orangeville, which complements an existing 9.8 MW advanced RESOP contract. The Company and its partner expect to commence financing and construction of these two contracts upon finalization of related land positions later this year. In addition to these contracts, the OPA advised that the FIT applications for contracts for 33 MW at St. Columban located in the township of Huron East and an additional 40 MW at Grand Valley have advanced to an Economic Connection Test (“ECT”) stage. The ECT evaluates and ranks the projects relative to other projects for assignment of capacity on the Bruce-to-Milton transmission line in which they are expected to interconnect. Post-ECT contract awards are expected in the first quarter of 2011.

Kleana – 600 MW (gross) run-of-river - submitted

On March 6, 2010, the Company announced that the Kleana Power Corporation bid submitted in November 2008 to build a 600 MW run-of-river hydroelectric project in British Columbia was no longer being considered in the BC Hydro’s Clean Power Call. The Company is evaluating alternative actions available for the project and remains confident in the long-term viability of the project as a practical, cost effective and environmentally sound solution that supports the provincial government’s energy objectives of achieving electricity self sufficiency and generating the majority of its electricity from clean or renewable resources.

Balance Sheet

As at June 30, 2010, the Company had working capital of \$24.6 million, including cash and cash equivalents of \$4.2 million, compared to working capital of \$22.8 million, including cash and cash equivalents of \$4.2 million as at December 31, 2009. Long-term debt of the Company, including the current portion, was \$98.1 million as at

June 30, 2010, compared to \$99.4 million as at December 31, 2009.

As at June 30, 2010, there were 35,602,556 shares issued and outstanding.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release may constitute “forward-looking information” or “forward-looking statements” which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this news release, such information uses such words as “estimates”, “expects”, “plans”, “anticipates” and other similar terminology. This information reflects the Company’s current expectations regarding future events, including the development, construction and operation of the St. Columban and Grand Valley projects and speaks only as of the date of this news release. Forward-looking information involves significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication 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 information. Although the forward-looking information in this news release is based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with this forward-looking information. This forward-looking information is provided as of the date of this news release, and, subject to applicable securities laws, the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

About Pristine

Pristine (TSX: PPX) is in the business of developing, owning and operating independent power plants that produce and sell electricity and in some cases, sell process steam to industrial users. Pristine capitalizes on opportunities in the independent power market by actively pursuing the development of dependable, cost-effective and environmentally responsible power generation facilities utilizing technology with proven past performance. Pristine pursues a mix of large gas-fired, bioenergy and hydroelectric projects, and smaller replicable waste heat recovery ERG® and bioenergy projects. Pristine currently has three projects in operation, and two under contract and in advanced development. Pristine is developing projects in strategic regions of North America. Visit www.pristinepower.ca for more information.

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