



Day4 Energy Continues Expansion and Growth during Third Quarter

Burnaby, British Columbia — November 12, 2008 — Day4 Energy Inc. (TSX: DFE), a solar electric technology developer and manufacturer of superior performance solar modules, today reported operating results for the third quarter and first nine months of 2008.

Recent Company Highlights:

- **Production ramp capitalized on sales and marketing efforts and led to increased revenues**
- **Operating improvements and effective foreign exchange management deliver improved bottom line**
- **PV project business opens new market opportunities**
- **Competitive position enhanced with advancements in next generation technology**

“Together with significant increases in revenues, the company achieved progress in its operating efficiencies during the third quarter”, said George Rubin, president of Day4 Energy. “When adjusted for the foreign exchange fluctuations our third quarter gross margins were 3.3% compared to 2.5% during the previous quarter.”

He added, “Importantly, we are being proactive in addressing the factors that affected our reported gross margins this quarter. We currently hedge our foreign exchange exposure through forward contracts and this quarter the foreign exchange fluctuations were more than compensated for by the gains on our foreign exchange forward contracts on a market to market basis. We continue to work to achieve our cost reduction objectives through a number of avenues that includes outsourcing options.”

2008 3Q FINANCIAL RESULTS

Worldwide Product Revenues

Third quarter revenues increased 111% from the prior quarter revenue. The increase reflects the successful ramp-up of new production capabilities designed to capitalize on the company’s sales and marketing efforts and rapid adoption of the company’s products in target markets around the world. Revenue was \$31.7 million for the third quarter up from the \$15 million for the second quarter of 2008 and 197% greater than revenues recorded in the third quarter in 2007. Revenue rose to \$60.2 million for the nine months ended September 30, 2008.

Gross Margins

Gross margin was impacted negatively by foreign exchange, and ramp-up costs, including the commissioning and optimization of new production lines associated with our four-fold increase in annualized production capacity. Significant fluctuations in the foreign exchange affected both revenues and cost sides of the company’s business, and had an overall negative impact on the company’s profit margins. Simultaneous strengthening USD and weakening Euro foreign exchange resulted in a negative 4.7% impact on the operation. In the short term the economic impact of the foreign exchange fluctuations was substantially mitigated by the foreign exchange hedging program implemented by the company. In the medium to long term the company will adjust aspects of its supply chain and operations to maximize natural hedging opportunities thus minimizing the overall FX exposure of the business.

When adjusted for foreign exchange fluctuations, gross margin for the third quarter 2008 improved to 3.3% compared to 2.5% recorded during the previous quarter. This improvement is mainly attributable to reduced production costs due to economies of scale and overall manufacturing experience.

For the nine months ended September 30, 2008 foreign exchange adjusted gross margin was 2.8% compared to a gross margin loss of 18% for the same period in 2007.

Expenses

For the third quarter of 2008, general and administrative expenses were \$2.0 million an increase of 41% over the prior quarter and in line with increases in staff and business activities relating to our volume growth in operations. G&A expenses as a percentage of revenues were 7% for the nine months ended September 30, 2008 down from 9% for the same period in 2007.

Sales and marketing expenses were \$0.9 million for the third quarter, a decrease of 33% over the prior quarter and a reflection of second quarter one-time costs associated with expansion initiatives including customer relations and sales channel development. Sales and marketing expenses as a percentage of revenues have improved to 5% of sales in the nine months ended September 30, 2008 compared with 6% of sales for the same period in 2007.

The 17% increase in R&D expenses in the third quarter compared to the second quarter of 2008 represents increased project costs, consulting contracts and personnel costs as we continue the development of opportunities provided by the Day4 Electrode including the development of new products. While absolute costs have increased, R&D expenses as a percentage of revenues have improved to 3% of sales for the nine months ended September 30, 2008 compared with 8% of sales for the same period in 2007.

Earnings Per Share (EPS) / Loss Per Share

The net loss for the third quarter 2008 was \$1,692,100 (\$0.05 per share) compared with \$2,466,815 (\$0.07 per share) the prior quarter and \$4,829,202 (\$0.26 per share) for the same period in 2007. Net loss as a percentage of revenue for the nine months ended September 30, 2008 was 8% compared to 49% for the same period in 2007.

Cash and Short-Term Investments

At September 30, 2008, we had \$43.6 million in cash and short term investments, including restricted cash of \$11.2 million, down from total cash and short term investments at June 30, 2008 of \$57.7 million.

Cash used by operations and purchase of Property Plant and Equipment was \$8.4 million and \$6.1 million respectively, totaling \$14.5 million for the third quarter of 2008. For the nine months ending September 30, 2008 cash used by operations was \$27.6 million and the purchase of Property Plant and Equipment was \$23.8 million totally \$51.4 million, an increase of \$32.6 million or 173% over the same period in 2007.

Detailed financial results and management's discussion and analysis can be found on SEDAR at: www.sedar.com.

About Day4 Energy

Headquartered near Vancouver, British Columbia, Day4 Energy Inc. designs, manufactures and sells photovoltaic (PV) modules based on its patented Day4 Electrode technology, a proprietary method of contacting and interconnecting solar cells. The Day4 Electrode produces PV modules of high power density, increased lifetime and uncompromised aesthetic appearance. The advanced solar module construction method increases the performance of conventional silicon panels and enables the next-generation of PV innovation. Day4 Energy partners with international technology leaders to develop and deliver IEC- and UL-certified solar products to customers throughout Europe, and North America. Day4 Energy is listed on the Toronto Stock Exchange under the symbol "DFE". For more information, please visit www.day4energy.com.

Conference Call Information

Day4 Energy's management will conduct a conference call at 8:30am (ET) November 13, 2008 to review the company's third-quarter financial results. The conference call will be webcast live over the Internet and can be accessed by logging on to Day4 Energy's website, www.day4energy.com, prior to the event. The call can also be

accessed by dialing 1-800-319-4610 (Canada and US) or 1-604-638-5340 (International) prior to the start of the call. The webcast will also be archived on the company's website.

Caution Regarding Forward-Looking Statements

This news release contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements include, among other things, statements relating to our expectations regarding our revenues, expenses, cash flows, operating performance and future profitability; normalized gross margin rates reflecting correcting factors to the actual gross margins; our achievement of cost reductions; and our ability to meet demand for future contracted deliveries.

The forward-looking statements contained in this news release are based on assumptions, which include, but are not limited to, our ability to expand our annual PV module manufacturing capacity; our ability to secure raw materials at acceptable prices and qualities; our ability to achieve increased PV cell and PV module efficiencies; our ability to expand our existing product line; our ability to attract customers and develop and maintain customer and supplier relationships; our ability to diversify our suppliers; our ability to effectively manage foreign exchange risks; our ability to protect our intellectual property rights and to not infringe on the intellectual property rights of third parties; and our ability to comply with applicable governmental regulations and standards going forward.

Such forward-looking statements are subject to risks, uncertainties and other factors, including those listed in our Annual Information Form filed with Canadian securities regulatory authorities, many of which are beyond our control and each of which contributes to the possibility that our forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. These risks, uncertainties and other factors include, but are not limited to, the impact of general economic, market or business conditions; our limited operating history; the current industry-wide shortage of high-purity silicon; risks relating to the protection of our intellectual property and intellectual property infringement claims by third parties; our dependence on a limited number of PV cell suppliers; government subsidies and economic incentives for PV power could be reduced or eliminated; we may be unable to achieve higher PV module efficiencies; our dependence on a limited number of customers and our lack of long-term purchase contracts; demand for PV modules; technological changes in the PV power industry could render our products uncompetitive or obsolete; unexpected warranty expenses; fluctuations in exchange rates; product liability claims; compliance with environmental regulations; and other factors, many of which are beyond our control.

The forward-looking statements made in this news release relate only to events or information as of the date indicated above. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

###

Contacts:

Therese Hayes
Head, Corporate Development
Day4 Energy Inc.
(604) 296-0434
thayes@day4energy.com

Casey Cronin
Media Contact
Antenna Group (for Day4 Energy)
415-977-1912
casey@antennagroup.com

Day4 Energy Inc.

Consolidated Balance Sheets

As at September 30, 2008 and December 31, 2007

	September 30, 2008 \$ (unaudited)	December 31, 2007 \$
Assets		
Current assets		
Cash and cash equivalents	13,701,007	53,093,136
Restricted cash	11,212,849	1,322,140
Short-term investments	18,729,771	40,232,996
Accounts receivable	23,364,262	3,559,391
Investment tax credits receivable	1,005,994	1,165,000
Other receivables	1,268,110	2,486,811
Inventory	24,157,112	15,168,541
Prepaid expenses	401,933	547,444
Derivative instruments	2,359,398	-
	<hr/>	<hr/>
	96,200,436	117,575,459
Intangible assets	612,196	828,969
Property, plant and equipment	29,676,787	7,078,998
	<hr/>	<hr/>
	126,489,419	125,483,426
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	14,648,673	10,438,525
Income taxes payable	830,000	830,000
Short-term debt	1,372,114	821,213
Deferred revenue - current	53,350	89,442
	<hr/>	<hr/>
	16,904,137	12,179,180
Deferred revenue	118,576	102,186
Deferred lease inducement	-	11,245
	<hr/>	<hr/>
	17,022,713	12,292,611
Shareholders' Equity		
Share capital		
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares		
Issued and outstanding		
36,679,366 (2007 – 36,373,116) common shares	130,952,257	129,935,370
Contributed surplus	1,943,629	1,439,491
Warrants	2,279,890	2,633,987
Deficit	(25,709,070)	(20,818,033)
	<hr/>	<hr/>
	109,466,706	113,190,815
	<hr/>	<hr/>
	126,489,419	125,483,426
Nature of operations and going concern		
Commitments		

Day4 Energy Inc.

Consolidated Statements of Operations, Comprehensive Loss and Deficit

For the three and nine months ended September 30, 2008 and 2007 (unaudited)

	Three-months ended September 30,		Nine-months ended September 30,	
	2008 \$	2007 \$	2008 \$	2007 \$ (restated)
Revenue				
Sales	31,692,152	10,654,597	60,224,616	14,061,693
Cost of goods sold	32,148,373	12,969,975	60,032,368	16,627,373
Gross margin	(456,221)	(2,315,378)	192,248	(2,565,680)
Expenses				
General and administrative	1,955,797	505,595	4,501,041	1,298,331
Research and development	695,626	341,439	1,769,665	1,122,934
Less: Investment tax credits and Government assistance	-	(177,273)	(245,302)	(531,818)
Selling expenses	856,122	319,392	2,798,162	877,363
Depreciation	131,409	79,221	360,789	221,904
Amortization	71,054	-	213,164	-
	3,710,008	1,068,374	9,397,519	2,988,714
Loss before other income (expense)	4,166,229	3,383,752	9,205,271	5,554,394
Other income (expense)				
Foreign exchange gain (loss)	(466,277)	176,615	710,032	214,825
Finance issuance cost	-	(1,048,153)	-	(1,048,153)
Interest and other income	465,917	39,400	1,882,665	110,576
Interest expense	(61,177)	(137,548)	(61,177)	(147,847)
Royalty premium expense	(419,180)	-	(419,180)	-
Unrealized gain on derivative instruments	2,996,598	-	2,359,398	-
Loss on disposal of capital assets	(88)	-	(19,068)	-
Accretion expense	(41,664)	(477,028)	(138,436)	(531,412)
Fair value gain on IRAP-TPC loan	-	1,264	-	67,798
	2,474,129	(1,445,450)	4,314,234	(1,334,213)
Loss and comprehensive loss for the period	1,692,100	4,829,202	4,891,037	6,888,607
Deficit - Beginning of period	24,016,970	8,987,243	20,818,033	7,123,404
Fair value adjustment on IRAP-TPC loan	-	-	-	(195,566)
Deficit - End of period	25,709,070	13,816,445	25,709,070	13,816,445
Net loss per share - basic and diluted	0.05	0.26	0.13	0.37
Weighted average number of shares outstanding - basic and diluted	36,679,366	18,899,505	36,641,734	18,560,269

Day4 Energy Inc.

Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2008 and 2007 (unaudited)

	Three-month period ended		Nine-months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
				restated
Cash flows from operating activities				
Loss and comprehensive loss for the period	(1,692,100)	(4,829,202)	(4,891,037)	(6,888,607)
Items not affecting cash				
Stock-based compensation	172,831	251,884	594,429	680,252
Accretion - IRAP-TPC loan	465,282	37,528	550,901	91,913
Fair value - IRAP-TPC loan	-	5,760	-	(60,774)
Depreciation and amortization	611,594	200,863	1,377,988	529,972
Gain on disposition of pre-acquisition assets	3,610	-	3,610	-
Loss on disposition of capital assets	88	-	19,068	-
Deferred lease inducement	-	(5,623)	(11,245)	(16,839)
Unrealized foreign exchange (gain) loss	(1,289,210)	20,628	453,054	149,503
Unrealized (gain) loss on derivative instruments	(2,996,598)	-	(2,359,398)	-
Changes in non-cash working capital items				
Accounts receivable	(8,649,945)	(5,804,318)	(20,678,665)	(7,941,099)
Investment tax credits receivable	-	(177,273)	159,006	(531,818)
Other receivables	599,537	(285,598)	821,926	(377,013)
Inventory	4,643,977	749,896	(8,988,571)	(2,196,728)
Prepaid expenses	125,762	782,049	145,511	799
Accounts payable and accrued liabilities	(460,689)	1,048,042	5,176,061	(1,063,813)
Deferred revenue	59,086	-	(19,702)	-
	(8,406,775)	(8,005,364)	(27,647,064)	(17,624,252)
Cash flows from investing activities				
Proceeds from sale of short-term investments	13,900,000	-	29,900,000	-
Purchase of short-term investments	-	(8,477,365)	(8,000,000)	(8,477,365)
Restricted cash	987,450	-	(9,890,709)	-
Purchase of property, plant and equipment	(6,124,582)	(978,038)	(23,790,657)	(1,156,380)
Proceeds on disposition of capital assets	8,975	-	8,975	-
	8,771,843	(9,455,403)	(11,772,391)	(9,633,745)
Cash flows from financing activities				
(Repayment of) proceeds from loans	-	(213,740)	-	(203,440)
Proceeds from IRAP loan	-	-	-	279,079
Proceeds from convertible debentures	-	17,266,500	-	17,266,500
Proceeds from issuance of common shares	-	-	-	10,341,281
Proceeds from exercise of stock options	-	-	80,000	-
Proceeds from conversion of warrants	-	218,750	492,498	218,750
	-	17,271,510	572,498	27,902,170
Impact of foreign exchange on cash and cash equivalents				
	400,596	(20,649)	(545,172)	(59,864)
(Decrease) increase in cash and cash equivalents	765,664	(209,906)	(39,392,129)	584,309
Cash and cash equivalents - Beginning of period	12,935,343	1,027,988	53,093,136	233,773
Cash and cash equivalents - End of period	13,701,007	818,082	13,701,007	818,082
Supplemental cash flow information				
Cash paid for interest	8,127	151,282	8,249	151,282
Cash received for interest	317,146	55,622	987,297	77,202
Non-cash transactions				
Conversion of warrants to common shares	-	-	354,097	325,763