



Day4 Energy Reports Third-Quarter 2010 Results

- **Significant Geographic Expansion into Growing Italian Market Provides Revenue Diversification**
- **New nine month revenue record evidence of increased market recognition of Day4 brand and success of current marketing efforts**
- **ACI transaction closed representing a key step in our long-term strategy to provide manufacturing solutions to Day4 franchise partners around the world**

Burnaby, British Columbia — November 15, 2010— Day4 Energy Inc. (TSX: DFE), a leading global provider of solar photovoltaic (PV) products and solutions, today reported operating results for the third quarter 2010.

“We have now been able to generate positive gross margins over the past five consecutive quarters,” said George Rubin, president of Day4 Energy. “We expect the market for PV modules in Europe to continue to be strong into the fourth quarter of the year and are very encouraged by our significant penetration into the Italian market. Our base business continues to improve with reductions in production costs and the geographic expansion of our sales demand and capacity. These are key factors that will contribute to the success of Day4 solarSYSTEM, our network of franchise operations.”

Key events of the quarter and subsequent weeks included:

- 1. Geographic expansion of sales:** Over the course of the first two quarters of the year we were working toward establishing a strong customer base in Italy in anticipation of the German market subsidy reduction at the end of the second quarter. As a result of these efforts we were able to rapidly increase our sales to the up and coming Italian market from 15% in revenue in the second quarter to 66% of revenue in the third quarter of this year. This rapid transition enabled us to maintain strong sales volumes throughout the quarter despite reductions in volumes in the German market. Furthermore, we anticipate that increased weighting of South European sales as part of our overall global revenue mix should have a positive impact on our ability to manage business seasonality typical for Central and Northern EU markets that is particularly evident in the first quarter of each year. As part of our market penetration strategy we have been successful in establishing key relationships with project developers and financiers in order to capitalize on Italy’s predominantly project-based market.
- 2. Continued Cost Reduction and Gross Margin Improvement:** We have successfully brought on-line our expanded production line and completed our transition to the larger size and lower installation cost 60MC-I module that now constitutes over 90% of our production output. The encapsulation materials costs reduction efforts implemented in the second quarter together with better pricing were primarily responsible for the improved margins in the third quarter. We expect further reductions in encapsulation costs during the fourth quarter to contribute to our continued drive towards profitability.
- 3. Closing of the ACI transaction:** This is a core element of our long-term strategy. We intend to provide the tools and knowledge we have gained through Day4 and ACI’s combined experience as technology developers, module and equipment manufacturers and marketing and sales experts to customers around the world wishing to establish or expand their PV business through a Day4 solarSYSTEM franchise.

Q3 2010 FINANCIAL RESULTS

Worldwide Product Revenues

Third quarter revenues of \$41.3 million increased by \$28.0 million or 211% from the same period in 2009 and decreased by \$3.5 million or 8% from the prior quarter. Revenues in the first nine months of 2010 increased by \$85.6 million when compared to the same period in 2009.

Gross Margins

Gross margin was \$1.7 million (4%) for the third quarter 2010 as compared to a gross margin of \$0.9 million (2%) in the second quarter and \$0.1 million in the third quarter 2009. We were able to maintain a positive gross margin in the third quarter despite the volatility experienced in the Euro currency. The nearly two-time increase in our gross margin from the second to the third quarter was due partly to continuous improvement in the overall manufacturing cost structure of our business including continuous reductions in bill of materials, production volume expansion as well as transition to a lower cost product mix that yielded a higher average selling price per watt.

Expenses

For the third quarter of 2010, general and administrative (G&A) expenses were \$1.9 million, a decrease of \$0.9 million from expenses of \$2.8 million for the prior quarter and flat at \$1.9 million when compared to the same period in 2009. The decrease in G&A expenses from the prior quarter primarily relates to a recovery of \$0.5 million of value added tax related to a bad debt that was written-off in 2008 and lower ramp-up costs relating to our production capacity expansion. G&A expenses were \$7.2 million for the nine months ended September 30, 2010 and \$6.9 million for the same period in 2009. The increase in G&A expenses in 2010 primarily relates to costs relating to due diligence activities for the acquisition of ACI and the production capacity expansion at our facility in Poland. We expect to incur additional costs in the subsequent months relating to the integration of ACI into Day4 Energy.

Sales and marketing expenses of \$0.8 million for the third quarter 2010 compared to \$0.9 million in the same period in 2009 and \$1.2 million in the second quarter 2010. Sales and marketing expenses for the nine months ended September 30, 2010 were \$2.8 million compared to \$2.5 million for the same period in 2009. The lower expenditures in 2009 reflected corporate restructuring and cost reduction activities in 2009. We have increased our sales and marketing activities through the year to take advantage of opportunities in the growing European markets. This focused and dedicated effort is a key requirement to address the rapidly expanding opportunities in each of our core markets as well as to align our infrastructure to roll out our turn-key manufacturing technology solution. This expansion contributed to the increase in sales and marketing expenses in the nine months ended September 30, 2010 when compared to the same period expenses in 2009.

R&D expenses in the third quarter were \$0.8 million compared to \$0.6 million for the prior quarter and \$1.1 million for same period in 2009. During the quarter, we utilized some of the equipment in our Burnaby facility to produce 60MC-I Guardian technology modules. Most of the modules produced in this line were sold in the quarter and therefore charged to cost of goods sold, resulting in lower R&D expenses compared to the same period in 2009. We continue to use our equipment in the Burnaby facility as a testing line for process improvement and R&D related experiments.

Loss per Share

The net loss for the third quarter 2010 was \$2.3 million (\$0.06 per share) compared to \$4.2 million (\$0.12 per share) in the prior quarter and \$4.2 million (\$0.12 per share) for the same period in 2009. The improvement the third quarter of 2010 was mainly attributed to the improvement in gross margin in the third quarter over the second.

The net loss for the nine months ended September 30, 2010 was \$8.4 million (\$0.23 per share) compared to \$21 million (\$0.57 per share) for the same period in 2009. The higher net loss in the third quarter and nine months ended September 30, 2009 was mainly attributed to the inventory write-down and fixed overhead period cost due to low capacity utilization.

Cash and Short-Term Investments

Working capital was \$25.7 million and remained stable at the end of the third quarter compared to the previous quarter. Cash and cash equivalents, restricted cash and short-term investments totaled \$14.4 million at September 30, 2010, a decrease of \$6.6 million from \$21 million at June 30, 2010 and a decrease of \$12.8 million from \$27.2 million at December 31, 2009. Cash and cash equivalents have decreased since December 31, 2009 primarily due to the utilization of funds to finance operations.

While our working capital position remains intact, the relative increase in inventory levels and corresponding decline in liquid resources is primarily associated with a combination of a number of trends including production ramp-up through the quarter, rapidly increased weighting of the Italian market within the overall sales mix and a typical seasonality in the South European sales cycle. While our newly installed production capacity utilization increased through the quarter, our sales mix was rapidly changing from predominantly German based to Italian based sales. The combination of a traditionally slow August and the timing issues with a predominance of projects versus residential/commercial systems in Italy as compared to Germany contributed to an increase in module inventory levels as of the end of September. Inventory levels have been subsequently normalized with the sales pipeline subsequent to the completion of the market transition and the end of seasonal demand volatility.

Detailed financial results and management's discussion and analysis can be found on our website at www.day4energy.com or on SEDAR at www.sedar.com.

About Day4 Energy

Day4 Energy Inc. is a Canadian company dedicated to providing high performance photovoltaic (PV) solutions for residential, commercial and utility scale installations. By fundamentally improving on the design and assembly of solar cells and modules, the Company produces unique PV panels of high power density, increased lifetime and uncompromised aesthetic appearance. Day4 Energy partners with international technology leaders to develop and deliver IEC- and UL-certified solar products to customers around the world. 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 (EST) November 15, 2010 to review the company's second quarter 2010 financial results. The call can be accessed by dialing 1-800-319-4610 (Canada and US) or 1-604-638-5340 (International) prior to the start of the call. Following the call a recording of the conference call will be archived on Day4 Energy's website, www.day4energy.com

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. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target", and similar words suggesting future events or future performance.

The forward-looking statements contained in this news release are based on assumptions, which include, but are not limited to, our ability to continue to successfully outsource the majority of our annual PV manufacturing capacity; the interest of third parties in manufacturing Day4's products under license; our ability to manage and meet demand for our products; our ability to obtain an adequate spread between our module average selling price and cost of raw materials, including PV cells; achieving increased PV cell and PV module efficiencies; expanding our existing product line; building the Day4 brand, attracting customers and developing and maintaining customer and supplier relationships; continuing our strong relationships with our suppliers; effectively managing foreign exchange risks; protecting our intellectual property rights and not infringing on the intellectual property rights of third parties; timely

processing by certification agencies of new products; and complying with applicable governmental regulations and standards.

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; risks related to the implementation of outsource manufacturing and our dependence on Jabil for the manufacture of our products; the integration of ACI may place unanticipated financial and personnel strains on Day4; ACI's ability to fulfill orders in a timely fashion for equipment needed to manufacture Day4 products; a lower than expected interest from third parties in manufacturing Day4's products under license; our dependence on a limited number of PV cell suppliers; price fluctuations that may impact relations with existing customers; risks relating to the protection of our intellectual property and intellectual property infringement claims by third parties; our reliance on a limited number of suppliers; government subsidies and economic incentives for PV power could be reduced or eliminated; the financial strength of our competitors; competition from other forms of renewable energy; our ability to manage growth effectively; our ability to open up new markets for our products; demand for PV modules may reduce; technological advances from competitors that may render our products uneconomic or obsolete; the impact of global events; 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.

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Day4 Energy Inc.

Consolidated Balance Sheets

As at September 30, 2010 and December 31, 2009

	September 30 2010 \$ (unaudited)	December 31 2009 \$
Assets		
Current assets		
Cash and cash equivalents	12,914,812	17,804,941
Restricted cash	1,525,346	335,000
Short-term investments	-	9,067,397
Accounts receivable	10,073,447	3,598,384
Investment tax credits receivable	-	600,000
Other receivables	2,300,759	8,447,806
Inventory	19,904,318	11,078,173
Prepaid expenses	552,117	564,336
	<hr/> 47,270,799	<hr/> 51,496,037
Property, plant and equipment	19,668,401	21,679,300
	<hr/> 66,939,200	<hr/> 73,175,337
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	18,814,336	13,321,691
Taxes payable	830,000	830,000
Short-term debt	1,174,314	1,143,521
Deferred revenue	753,230	322,331
	<hr/> 21,571,880	<hr/> 15,617,543
Shareholders' Equity		
Share capital		
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares		
Issued and outstanding		
37,059,366 (2009 - 36,739,366) common shares	131,075,529	130,972,498
Contributed surplus	2,892,442	2,581,508
Warrants	2,279,890	2,279,890
Accumulated other comprehensive income	(7,374,438)	(3,201,330)
Deficit	(83,506,103)	(75,074,772)
	<hr/> 45,367,320	<hr/> 57,557,794
	<hr/> 66,939,200	<hr/> 73,175,337

Day4 Energy Inc.

Consolidated Statements of Operations and Deficit

For the three and nine months ended September 30, 2010 and 2009 (unaudited)

	Three-months ended September 30,		Nine-months ended September 30,	
	2010 \$	2009 \$	2010 \$	2009 \$
Revenues	41,296,442	13,342,802	109,031,733	23,417,251
Cost of revenues	39,567,553	13,234,391	104,720,810	34,549,494
Gross margin (loss)	1,728,889	108,411	4,310,923	(11,132,243)
Expenses				
General and administrative	1,886,293	1,922,304	7,184,654	6,907,498
Research and development	800,601	1,068,064	2,236,509	2,106,455
Less: Government assistance	(86,715)	(34,020)	(257,864)	(34,020)
Selling and marketing	839,626	887,009	2,836,115	2,508,558
Depreciation	412,255	562,236	1,335,518	775,061
	3,852,060	4,405,593	13,334,932	12,263,552
Loss before undernoted	2,123,171	4,297,182	9,024,009	23,395,795
Foreign exchange gain (loss)	(198,963)	53,280	524,988	2,331,709
Interest and other income	27,449	52,581	137,639	167,085
Interest expense	(22,672)	(27,266)	(65,871)	(82,915)
Gain (loss) on disposal of property, plant and equipment	(4,078)	(1,452)	(4,078)	25,278
Gain on disposition of subsidiary	-	-	-	24,677
Accretion expense	-	(6,995)	-	(19,985)
	(198,264)	70,148	592,678	2,445,849
Loss before non-controlling interest	2,321,435	4,227,034	8,431,331	20,949,946
Non-controlling interest	-	-	-	(11,323)
Loss for the period	2,321,435	4,227,034	8,431,331	20,938,623
Deficit - Beginning of period	81,184,668	71,402,973	75,074,772	54,691,384
Deficit - End of period	83,506,103	75,630,007	83,506,103	75,630,007
Net loss per share - basic and diluted	0.06	0.12	0.23	0.57
Weighted average number of shares outstanding - basic and diluted	37,059,366	36,679,366	36,856,582	36,679,366

Day4 Energy Inc.

Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2010 and 2009 (unaudited)

	Three-months ended September 30,		Nine-months ended September 30,	
	2010 \$	2009 \$	2010 \$	2009 \$
Cash flows from operating activities				
Loss for the period	(2,321,435)	(4,227,034)	(8,431,331)	(20,938,623)
Items not affecting cash				
Stock-based compensation	100,513	123,877	333,964	392,423
Depreciation and amortization	776,814	862,484	2,276,196	1,956,218
Loss (gain) on sale of property, plant and equipment	4,078	1,452	-	(25,278)
Gain on disposal of subsidiary	-	-	-	(24,677)
Unrealized foreign exchange (gain) loss	(380,419)	10,205	(726,968)	(379,611)
Change in value of derivative instruments	-	-	-	(2,157,218)
Non-controlling interest	-	-	-	(11,323)
Changes in non-cash working capital items				
Accounts receivable	2,297,483	(1,856,793)	(6,501,201)	1,468,191
Investment tax credit receivable	658,174	-	600,000	-
Other receivables	283,844	1,935,873	5,492,464	(664,541)
Inventory	(7,883,501)	9,140,832	(9,309,245)	13,230,986
Prepaid expenses	422,106	(26,710)	(24,494)	(36,884)
Accounts payable and accrued liabilities	(1,429,059)	(6,342,324)	6,047,792	(4,320,260)
Deferred revenue	150,789	(31,790)	440,395	(23,423)
	(7,320,613)	(409,928)	(9,802,428)	(11,534,020)
Cash flows from investing activities				
Purchase of short-term investments	(1,000,000)	-	(2,500,000)	(9,000,000)
Proceeds from sale of short-term investments	6,500,000	-	11,500,000	-
Change in restricted cash	(1,340,346)	3,055	(1,190,346)	10,671,800
Purchase of property, plant and equipment	(378,765)	(138,702)	(1,727,459)	(2,646,634)
Proceeds from sale of property, plant and equipment	-	-	-	8,213,638
Proceeds from sale of subsidiary - net of cash included in sale of 29,098	-	-	-	9,590
	3,780,889	(135,647)	6,082,195	7,248,394
Cash flows from financing activities				
Proceeds from exercise of stock options	-	-	80,000	-
	-	-	80,000	-
Effect of foreign exchange rate changes on cash	1,127,295	576,364	(1,249,896)	951,385
Increase (decrease) in cash and cash equivalents	(2,412,429)	30,789	(4,890,129)	(3,334,241)
Cash and cash equivalents - Beginning of period	15,327,241	11,365,264	17,804,941	14,730,294
Cash and cash equivalents - End of period	12,914,812	11,396,053	12,914,812	11,396,053
Supplemental cash flow information				
Cash paid for interest	910	1,249	3,336	4,217
Cash received for interest	26,826	1,315	133,443	19,778

Day4 Energy Inc.

Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Loss For the three and nine months ended September 30, 2010 and 2009

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Loss for the period	2,321,435	4,227,034	8,431,331	20,938,623
Unrealized foreign exchange losses (gains) on translation of consolidated financial statements to the presentation currency	(3,198,829)	-	4,173,108	-
Comprehensive Loss (gain)	(877,394)	4,227,034	12,604,439	20,938,623

	Three months ended, September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Accumulated Other Comprehensive Loss – Beginning of period	10,573,267	-	3,201,330	-
Unrealized foreign exchange losses (gains) on translation of consolidated financial statements to the presentation currency	(3,198,829)	-	4,173,108	-
Accumulated Other Comprehensive Loss – End of period	7,374,438	-	7,374,438	-