

SEWARD & KISSEL LLP

Seward & Kissel advises ESCO Energy Services
on its sale to ForceField Energy

Seward & Kissel's Business Transactions Group
Focusing on Middle-Market Deals

On October 20, 2014, **ForceField Energy Inc.** (NASDAQ:FNRG) announced the completion of its acquisition of energy efficient lighting solutions provider **ESCO Energy Services Company**. The total consideration of \$7.5 million for ESCO was paid by ForceField through a combination of cash, promissory notes and shares of ForceField common stock. **Seward & Kissel** was pleased to represent ESCO in this middle-market M&A transaction.

ForceField Energy is a global company whose products and solutions focus on sustainable energy solutions and improved energy efficiency. ESCO Energy Services is a leader in energy efficiency upgrades and lighting retrofit projects.

Seward & Kissel LLP (www.sewkis.com) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel “advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping” and “also handles complex middle-market deals in the media industry and international sell-side M&A.”

The press release describing this transaction is reproduced below for your information.

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New York, New York

has acquired



Lenox, Massachusetts

Seward & Kissel
acted as counsel to ESCO

SEWARD & KISSEL LLP

October 2014

ForceField Energy Completes Acquisition of ESCO Energy Services, a Leader in Energy Efficiency Upgrades and Lighting Retrofit Projects

NEW YORK – October 20, 2014 - ForceField Energy Inc. ("ForceField" or the "Company") (NASDAQ:FNRG), a designer, seller and distributor of energy products and solutions, today announced that it completed the acquisition of ESCO Energy Services Company ("ESCO"). Based in Lenox, Massachusetts, ESCO is a leader in energy efficiency upgrades and lighting retrofit projects with strong utility company relationships and long-standing master agreements with global engineering firms.

For the twelve months ended June 30, 2014, ESCO generated unaudited revenue of approximately \$10.0 million and EBITDA of approximately \$1.2 million. ForceField expects ESCO's operating margins will be enhanced on a going forward basis once ESCO is fully integrated into ForceField Energy by taking advantage of certain additional synergies. The transaction is expected to be accretive to ForceField earnings in 2014 and in future years.

Under the terms of the purchase agreement, ForceField acquired all the outstanding equity in ESCO for total consideration of \$7.5 million which included \$1.0 million in cash; the issuance of \$2.5 million in restricted common stock; and the issuance to the selling shareholder of two secured notes which includes a \$2.5 million note bearing interest at 5% due in April 2016, and a \$1.5 million note due on November 16, 2014. Additionally, concurrent with the closing of the transaction, ForceField paid approximately \$1.5 million in cash to retire all of the bank debt on ESCO's balance sheet.

ESCO Highlights

- A strong reputation for over two decades for providing energy and cost saving solutions.
- Rapidly growing customer base in the private sector and strong relationships with high-profile national energy services companies.
- Long-standing relationships with major utilities, which we believe gives ESCO a significant competitive advantage. ESCO helps advise utilities on the creation and implementation of new rebate programs that encourage lighting retrofits.
- Dynamic growth potential across the energy conservation industry.
- Multiple potential growth channels include expanding alliances with utilities, adding rebate programs, expanding energy conservation service offerings and services to include HVAC and other energy-saving services.
- Proprietary cloud-based proposal generation system and automated audit data and rebate processing capabilities.
- Highly experienced utility incentive processing team.
- Reliable, local support and experience for successful street light LED conversions.

ESCO has successfully completed thousands of projects for a variety of businesses, institutions and government agencies across virtually all facility types under an array of conditions. Geographically, ESCO serves the U.S. market nationwide, though approximately eighty percent (80%) of its service areas are primarily east of the Mississippi, including a strong presence within New York, New Jersey, New England, Washington, D.C., Connecticut and west through Pennsylvania. Clients include Fortune 500 companies, prominent educational institutions, real estate investment and management firms, hospitals, manufacturers, retailers, parking garage and cold storage operators, government facilities and school districts across North America. An extensive client list can be found at www.goesco.com/clients/index.html. ESCO also partners with some of the nation's largest utilities to gain access to end user client projects.

Mitchell Barack, President of ESCO commented: "This is an extremely exciting time for ESCO as we join with ForceField to create what we believe will be one of the most experienced and diverse national players in the LED and energy efficiency services marketplace. At ESCO, we have spent more than 20 years building a strong regional footprint which we believe can now be better leveraged within our core markets as a result of expanded capabilities and outside the region as a result of being part of a larger organization with greater access to clients, talent and capital."

Mr. Barack continued, "Most recently, we were selected as one of three LED street lighting retrofit suppliers across more than 150 towns and cities in Connecticut, which could result in millions of dollars of incremental revenue starting in 2015. As more municipalities, utilities, and businesses of all sizes continue to better understand the energy and operational savings, the environmental benefits, and the aesthetic and potential safety benefit of LED lighting, we believe being part of ForceField will create greater opportunity for both ESCO and ForceField combined."

Richard ST Julien, ForceField's Executive Chairman and President of its LED Division, stated, "Adding one of the most respected and highly experienced energy efficiency and LED lighting retrofit companies in the Eastern United States, ESCO is a perfect complement to ForceField and combined with our American Lighting ("ALD") business it creates a powerful national platform. With the ability to design and install tailored energy efficiency solutions to a growing customer base that includes leading utilities, Fortune 500 companies and diverse small and medium size businesses, we believe we are well positioned for fast growth in the coming months and years."

Mr. ST Julien further added: "As we integrate ESCO into our existing operations over the next twelve months, we believe there will be additional synergies that will accrue as a result of our national footprint and more diverse capabilities. These include improved sales and marketing opportunities within existing and new regions which should further enhance our underlying revenue growth as well as expanded operating margin potential as a result of improved product purchasing efficiencies, new service capabilities and better overhead absorption. When combined with our American Lighting subsidiary, the addition of ESCO will solidify ForceField's position in the LED and energy efficiency marketplace on a national level and strengthens our capabilities to address the rapidly expanding needs of both domestic and international clients."

BCMS Capital Advisors LLC acted as the exclusive financial advisor and Seward & Kissel LLP acted as counsel to ESCO Energy Services Company in connection with the transaction. Gusrae Kaplan Nusbaum PLLC acted as counsel to ForceField Energy Inc. in connection with the transaction.

About ESCO Energy Services Company

Based in Lenox, Massachusetts, ESCO Energy Services Company is a leader in energy efficiency upgrades and lighting retrofit projects. ESCO provides full turnkey energy efficiency services that encompass energy audits, engineering, design, materials procurement, project management, installation, metering, measurement, energy savings verification, project funding and utility rebate processing. Through a combination of industry expertise, direct and indirect marketing and sales, key utility company partnerships and long-standing master agreements with global engineering firms, ESCO has delivered on retrofit projects that have resulted in over 300 million square feet of lighting upgrades. www.goesco.com or www.lightingretrofit.com

About ForceField Energy Inc.

ForceField Energy Inc. and its subsidiaries comprise a global company whose products and solutions focus on sustainable energy solutions and improved energy efficiency. ForceField is a distributor of LED and other lighting products for a number of premier LED lighting manufacturers; and through its award-winning subsidiaries, American Lighting and ESCO, have completed lighting installations and retrofits as well as energy efficiency upgrades, for numerous high profile concerns in a variety of industries. ForceField is also a licensee of modular, heat recovery systems that convert waste heat into clean electricity.

About Seward & Kissel LLP

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for international sell-side M&A transactions and for its representation of transportation companies (particularly in the shipping area), major commercial banks, investment banking firms, investment advisers and related investment funds (including mutual funds and hedge funds), master servicers, servicers, investors, distressed trade brokers, liquidity providers, hedge fund administrators, broker-dealers and institutional investors.

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