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Carmanah Technologies Corporation Announces \$6 Million Rights Offering

VICTORIA, BRITISH COLUMBIA, CANADA (September 17, 2013) Carmanah Technologies Corporation (TSX: CMH) ("**Carmanah**") announces that it has filed a preliminary prospectus and will file a registration statement in respect of a proposed shareholder rights offering (the "**Offering**"). Under the Offering, Carmanah will seek to raise up to approximately \$6 million. The proceeds from the Offering will be used for funding operating expenses and other general working capital needs.

Under the proposed terms of the Offering and subject to any restrictions imposed by applicable securities laws, each shareholder would be entitled to receive one right (each a "**Right**") for each common share held of record on the applicable record date. Carmanah expects that each Right will be exercisable for one (1) common share at a subscription price of \$0.12 (each a "**Rights Share**"). The price to acquire each Right will be nil.

The final terms of the Offering, including the exercise price for the Rights and the number of Rights being issued for each common share will be determined and disclosed in the final prospectus relating to the Offering.

In connection with the Offering, Carmanah has executed a non-binding letter of intent dated September 16, 2013 (the "**Letter of Intent**") with a group of investors (collectively, the "**Standby Purchasers**", and each a "**Standby Purchaser**") in which each Standby Purchaser has indicated that it expects to enter into a binding standby commitment (the "**Standby Purchase Agreement**") prior to the filing of the final prospectus relating to this Offering. The Stand-by purchasers include John Simmons, the Carmanah's CEO, and a company controlled by Michael W. Sonnenfeldt, the Chairman of Carmanah's board. Under the expected terms of the Standby Purchase Agreement, subject to certain terms, conditions and limitations, the Standby Purchasers will agree to purchase an aggregate of up to \$5,500,000 of the Rights Shares that are not otherwise subscribed for by the other holders of Rights pursuant to their exercise of the subscription privileges associated with the Rights under the Offering; provided that if the exercise of the subscription privileges associated with the Rights in the Offering would otherwise cause the gross proceeds from the sale of common shares (when combined with the common shares sold pursuant to the Standby Purchase Agreement) in the Offering to exceed approximately \$6 million, the Standby Purchasers' obligations under the Standby Purchase Agreement will be reduced on a proportionate basis. In consideration of the agreement of the Standby Purchasers to purchase the Rights Shares not otherwise subscribed for by the other holders of Rights, the Standby Purchasers will be entitled to a fee at the closing of the Offering equal to 2% of \$5,500,000, being

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\$110,000, regardless of how many Rights Shares the Standby Purchasers purchase. The terms of the Standby Purchase Agreement will be described in more detail in the final prospectus for the Offering.

The Offering and the issuance of securities described herein are subject to regulatory approval, including that of the Toronto Stock Exchange.

The Offering will be made only in the provinces of British Columbia, Alberta and Ontario and the United States (the "**Eligible Jurisdictions**"), pursuant to a final prospectus filed in Canada and a registration statement filed in the United States. In certain states, including California and Ohio, Rights may only be exercised by institutions to which solicitations may be addressed without registration under the relevant state securities laws. The Offering is not an offering of Rights for sale in any jurisdiction outside the Eligible Jurisdictions.

Shareholder Rights Plan Agreement

On September 16, 2013 the Board of Directors resolved to waive the application of Section 3.1 of Carmanah's shareholder rights plan dated as of May 24, 2012 in connection with: (i) the issuance of Rights to the Standby Purchasers and the Standby Purchaser's acquisition and beneficial ownership of Rights Shares; and (ii) all transactions otherwise contemplated by the terms of such Rights and the Standby Purchase Agreement, including the Standby Purchasers' acquisition and beneficial ownership of Rights Shares.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein. Such securities may not be offered or sold in the United States absent registration under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and applicable state securities laws, or absent an available exemption from such registration requirements. Any securities sold pursuant to the Standby Purchase Agreement have not and will not be registered under the U.S. Securities Act.

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About Carmanah Technologies Corporation

As one of the most trusted names in solar technology, Carmanah has earned a reputation for delivering strong and effective products for transportation applications worldwide. Industry proven to perform reliably in some of the world's harshest environments, Carmanah solar LED lights and solar power systems provide a durable, dependable and cost effective energy alternative. Carmanah is a publicly traded company, with common shares listed on the Toronto Stock Exchange under the symbol "CMH". For more information, visit carmanah.com.

For further information:

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Statements contained in this news release relating to future results, events or developments, including, but not limited to, statements regarding the Offering, the number of securities issuable under the Offering, whether or not the Standby Purchaser will enter into the Standby Purchase Agreement, the expected timeline for mailing a prospectus to shareholders and concluding the Offering, the anticipated use of proceeds from the Offering, and statements containing the words "believes," "may," "could", "plans," "will," "estimate," "continue," "anticipates," "intends," "expects", "goal" and similar expressions, are "forward-looking statements" or "forward-looking information" under applicable U.S. and Canadian securities laws. Forward-looking statements or information are subject to the related assumptions made by us and involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from those expressed or implied by such statements or information.

Many of such risks, uncertainties and other factors form part of our underlying assumptions, and include, among other things, financial risks that would affect our operations such as our limited available working capital and cash flows and whether and for how long available funds will be sufficient to fund our operations, our ability to complete the Offering, and our ability to raise additional capital as and when needed; our need for substantial additional funding to conduct research and development and commercialization activities; current financial market conditions which may negatively affect our ability to obtain financing; the ability to obtain regulatory approval and shareholder acceptance of planned financings, and other factors referenced in our Annual Information Form (AIF) and other filings with Canadian securities regulatory authorities.

Given these uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. We disclaim any obligation to update, or to publicly announce any revisions to, any such statements or information to reflect future results, events or developments, except as required by law.

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