

AUGUSTA INDUSTRIES INC.

FOR IMMEDIATE RELEASE

AUGUSTA ANNOUNCES LETTER OF INTEREST AND NEW ORDER

December 9, 2015

TSX Venture Exchange: AAO

Toronto, Ontario - Augusta Industries Inc. (the "Corporation") is pleased to announce that it has entered into a letter of interest ("LOI") with the Trans Africa Pipeline ("T.A.P.") group. Pursuant to the LOI, the Corporation will provide T.A.P. with non-intrusive sensing equipment which would be used to verify the integrity of the composite pipeline at key locations. In addition to the non-intrusive sensing equipment, T.A.P. has also submitted a Request for Proposal for the installation of a number of optical based sensing technologies which would allow it to monitor the right of way zones from possible third-party intrusions.

T.A.P. is a not-for-profit organization dedicated to providing water solutions for the sub-Sahara Sahel region of Africa. The goal involves constructing a water pipeline network across this region to provide clean water for people and irrigation to create farming oasis.

"A commercial and technical package was submitted to T.A.P. last week," said Allen Lone, President of the Corporation. "The Corporation is honored to have been asked as a sole source monitoring technology to participate in this endeavor. We look forward to partnering with T.A.P. and being able to provide key technologies that potentially will help make this project a success."

The Corporation would also like to announce that it has received an order from one of the Corporation's major oil and gas clients in Alberta to install another electric field mapping ("EFM") system on the client's pipeline. The Corporation dispatched a team of engineers last week to commission the installation of the EFM system. A number of defects have been identified on the client's existing pipeline that requires monitoring in order to allow the client to understand if these defects are changing over time. The EFM system was the client's lowest cost option in comparison to the cost of replacing the section of pipeline. The client has been using the Corporation's EFM systems in a number of locations in western Canada and will be using the EFM system to validate the effectiveness of existing mitigation programs at this key location.

The validation of the client's mitigation program will be made easier with the use of the Corporation's data management and analysis tool ("DMAT") suite. The client will be able to see their remotely acquired data by simply logging into their secure web portal where all relevant information will be clearly shown in tables and graphs.

"This repeat order from a major oil and gas company is validation that the Corporation's current technology and products are able to meet the continuing needs of the client," said Allen Lone. "The past success of the Corporation's products in meeting its client's needs has helped the Corporation to foster a strong relationship with its current clients which is evidenced by repeat orders."

About the Corporation:

Through its wholly owned subsidiaries, Marcon International Inc. ("Marcon") and Fox-Tek Canada Inc. ("Fox-Tek"), the Corporation provides a variety of services and products to a number of clients.

Marcon is an industrial supply contractor servicing the energy sector and a number of US Government entities. Marcon's principal business is the sale and distribution of industrial parts and equipment (Electrical, mechanical and Instrumentation.) In addition to departments and agencies of the U.S. Government, Marcon's major clients include Saudi Arabia-Sabir Services (Refining and Petrochemical), Bahrain National Gas Co, Bahrain Petroleum, Qatar Petroleum, Qatar Gas, Qatar Petrochemical, Gulf of Suez Petroleum, Agiba Petroleum and Burullus Gas Co.

Fox Tek develops non-intrusive asset health monitoring sensor systems for the oil and gas market to help operators track the thinning of pipelines and refinery vessels due to corrosion/erosion, strain due to bending/buckling and process pressure and temperature. The Corporation's FT fiber optic sensor and corrosion monitoring systems allow cost-effective, 24/7 remote monitoring capabilities to improve scheduled maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks.

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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

This press release contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. Actual results may differ materially from those currently anticipated. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements are detailed from time to time in the Corporation's periodic reports filed with the Ontario Securities Commission and other regulatory authorities. The Corporation has no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.