



Message from the President & CEO

May 2, 2016

As always, I wish to say a heart-felt thanks to our clients, employees, advisors, Board of Directors and service providers for their ongoing effort and support of NXT. Fiscal 2015 was a record year for us, and we are very proud of the enclosed 2015 Annual Report for NXT Energy Solutions Inc. (“NXT”) and the following highlights:

- we continued to expand our global presence and experience base, and secured another significant new client, YPFB, the National Oil Company of Bolivia.
- our expanded experience in South and Latin America, and new letters of reference we have been graciously given by YPFB, are aiding in further expanding our presence into new potential markets in Africa, South Asia, and the Middle East
- our revenues of \$17.4 million set a new record year for us, exceeding the \$10.9 million we generated in 2012
- our profitable operations allowed us to expand our financial strength, and we exited the year with net working capital of \$7.5 million.
- we were able to undertake the Bolivia project in roughly 5 months, demonstrating an advantage in using SFD® – the rapid generation and evaluation of focused areas of prospectivity interest over vast exploration areas.
- we undertook this sizable project without having to conduct any dilutive equity financings in 2015.
- we also were able to acquire a survey aircraft in Q4, which we expect to yield long-term strategic value and project efficiencies for us.
- NXT finalized the acquisition of its specific rights to utilize the SFD® technology in hydrocarbon exploration. The remaining preferred shares were converted in 2015, and our share structure now consists of simply 53.3 million outstanding common shares, a very modest total for a company our size.

I also note that we expanded the experience base of our Board of Directors in 2015, and welcomed our long-term shareholder Mr. John Tilson to the Board in February 2015, and Mr. Bruce Wilcox joined in June 2015, filling Mr. John Agee's position.

Outlook for 2016 and beyond

The oil & natural gas exploration and production industry continues to deal with the ongoing challenge of excess global supply and the related soft commodity prices. Capital spending for many E&Ps has thus been curtailed in 2015 and 2016. NXT continues to target a strategic mix of global client prospects, primarily National Oil Companies ("NOCs") who take a long-term view of the commodity price and exploration cycles. These parties generally recognize the need to continue to search for and secure new exploration prospects which can yield them strategic new oil and gas reserves to meet future needs.

Our ongoing business development efforts in recent months include a diverse mix of several large-scale, global project opportunities in Ghana and west Africa, Malaysia and Sri Lanka, Pakistan, and the Middle East region (specifically Qatar and the UAE). We also continue to pursue new project opportunities with our large existing client NOCs in Bolivia and Mexico.

In closing, I note that I am extremely proud of our 2015 accomplishments, and the momentum we are building in 2016. As I noted last year, the true exploration potential of our SFD® technology continues to be recognized by a wider global client base. Our pipeline of potential project opportunities is now larger and more diverse than ever, and includes several very large potential projects, at least one of which we aim to commence in the second half of 2016.

Thank you all again for your ongoing support of the NXT technology and team.

Best regards,

A handwritten signature in blue ink that reads "George Liszicasz". The signature is written in a cursive, flowing style.

George Liszicasz
President & CEO
NXT Energy Solutions Inc.