PRESS RELEASE

RIFCO Reports $416K First Quarter Profit

Red Deer, Alberta. Aug 26th, 2010; RIFCO Inc. (TSXV: RFC) announced its financial results for the first quarter ending June 30, 2010. The Company is pleased to report that RIFCO is on track for its fifth consecutive profitable year.

Net income in Q1 exceeds the total amount reported in the entire prior year.

Net income for the quarter is $416,370, a 153% increase from the $164,650 reported in Q1 of the prior year. This has resulted in EPS of $0.02 in the quarter up from $0.01 in the comparable quarter. Revenue in the quarter grew to $3,696,908, a 28.2% increase from $2,882,739 reported in Q1 of the prior year. The Q1 revenue was also an 87.0% increase over the revenue of $1,977,216 reported in the prior quarter. Loan originations in the first quarter increased to $9.19M from $6.86M in the prior quarter, an increase of 34.0%, and an increase of 28.7% from the $7.14M in the prior year. The increase in loan originations resulted in managed finance receivables growth to $59.11M from $52.37M in the prior year, a 12.9% growth rate.

Revenues are, in part, affected by the volume of loans originated and the loan securitization levels required to support this growth. In the quarter, loans securitized were $8.37M compared to $7.52M in Q1 of the prior year. This represents an 11.4% increase in loans securitized. Due to the improved pricing on the securitization facilities, the Company enjoyed a 27.2% increase in securitization revenue. Due to the improved discount rates (interest cost) now being received, the Company experienced higher profit levels on securitized loans compared to those in prior quarters.

- The average cost of borrowing reduced in the quarter to 7.51% from 7.95% in the same quarter of the prior year.
- The average portfolio yield has increased to 20.03% from 19.54% in the same quarter of the prior year.

RIFCO has been granting non-traditional loans in the automotive sector since 2002 and has granted over $152M in loans. The Company had predicted that its underwriting and operational systems would hold up throughout all economic cycles. The economic environment over the past 24 months has acted as a real life “stress test” for these credit assumptions. While granting and collecting loans in this period has been more challenging than prior years, the credit adjudication model has proven to be sound.

- Managed delinquent accounts over 30 days decreased to 4.47% from 5.58% from Q1 of the prior year.
- The average loan loss rate (12 month rolling) on managed receivables, which includes losses on assets held in securitization trusts at the end of the period, decreased to 5.73% from 5.90% in the prior quarter. This is an increase from 5.36% in Q1 of the prior year.
- The quarterly periodic annualized loss rate was reduced in Q1 to 5.05%. This is a drop from 5.91% and 6.59% in the prior two quarters. This is the lowest quarterly loss rate in the previous five quarters.

To fund the acquisition of a growing level of finance receivables, the Company uses borrowings under its senior credit facilities ($9.5M) and subordinated debentures ($6.5M). Most of the Company’s finance receivables are ultimately securitized through one of three available loan securitization facilities. Facility limits total $70M and currently have 65% in remaining authorized capacity. RIFCO is well positioned to grow and has ample funding to meet this year’s $50M loan origination target.

It also remains RIFCO’s strategy to pursue increased availability of senior credit facilities in order to grow the Company’s overall level of on-book loan receivables. The senior credit facility is currently the lowest cost funds for the Company. Increased on-book (non-securitized) receivables will likely lead to increased consistency of revenue and less volatility of earnings.

RIFCO remains steadfast in originating only loans that it believes can achieve acceptable profit margins. As margins are affected by funding rates and by expected credit performance, RIFCO adjusts targeted origination levels, credit requirements, and lending rates while maintaining market continuity

Financial Highlights:

- Net Income in Q1 increased to $416K from net profit of $165K (YOY)
- Revenue in Q1 increased to $3.70M from $2.88M (YOY)
- Managed Loans increased 12.9% to $59.11M (YOY)
- Cash releases increased 51% from securitization holdback accounts to $2.05M from $1.35M (YOY)
- Loan Originations in Q1 increased 28.7% to $9.19M (YOY)
- Loans Securitized increased 11.4% to $8.37M from $7.52M (YOY)
- Securitization revenue increased 27.2% to $3.17M from $2.49M (YOY)
- EPS was $0.02 up from $0.01 (YOY)
- Book value per share has increased to $0.485 from $0.452 (YOY)
- Operating Expense Ratio reduced (improved) by .25% to 4.77% (YOY)
- Operating Expenses were $694K a 7.1% increase (YOY)
- Funding Costs increased to 7.59% from 7.37% (YOY)
- Average Cost of Borrowing decreased to 7.51% from 7.95% (YOY)
- Delinquency Ratio decreased by 1.11% to 4.47% (YOY)
- Average Loan Loss Rate (rolling 12 month) increased from 5.36% to 5.73% (YOY)
- Revenue increased by 87% to $3.70M over the prior quarter
- EPS was up to $0.02 from a loss of $0.01 over the prior quarter
- Managed Loans increased 4.8% over the prior quarter
- Net Income increased to $416K from a $237K net loss in the prior quarter
- Loan Originations increased 34% over the prior quarter
- Operating Expense Ratio increased to 4.77% from 4.69% in the prior quarter
- Operating Expenses increased by 6.6% over the prior quarter
- Delinquency Ratio decreased to 4.47% from 4.55% in the prior quarter
- Average Loan Loss Rate decreased to 5.73% from 5.90% in the prior quarter

Other Q1 Highlights

- RIFCO announced that it secured a new $10M securitization facility from an Alberta Regional Credit Union.
- RIFCO ranked 71st on the annual PROFIT 100 ranking of Canada's Fastest-Growing Companies by PROFIT magazine with a five year cumulative growth of 864%.
- RIFCO's co-founders Bill Graham (President and CEO) and Lance Kadatz (VP & CFO) were named as finalists for the Ernst & Young "Entrepreneur of the Year" 2010 award.

PRESS RELEASE

As is RIFCO's custom, please note the Q1 progress report against RIFCO's specific objectives for 2011 as published in the 2010 annual report to the shareholders.

1. **Achieve record loan originations of over $50 million**
   Loan originations in the first quarter were $9.19M.

2. **Achieve record managed assets of over $75 million**
   Managed financed receivables in the first quarter grew to $59.11M.

3. **Achieve record revenue of over $14 million**
   Revenue in the first quarter reached $3.70M.

4. **Achieve an annualized write offs rate below 5.5%**
   Year-to-date annualized credit loss rate currently stands at 5.05%.

5. **Achieve record net income of over $1.5 million**
   Net income in the first quarter reached $416K.

About RIFCO

RIFCO is one of Canada's fastest growing automotive finance companies. Non-traditional auto loans are indirectly originated through a growing network of selected new and used vehicle dealers operating in all provinces except Saskatchewan and Quebec.

The common shares of RIFCO INC. are traded on the TSX Venture Exchange under the symbol "RFC". There are 19.23 million shares (basic) outstanding and 20.93 million (fully diluted) shares.

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