

Vertex Energy Reports a 19% Increase in Revenue and a 57% Increase in Gross Profit for the Third Quarter of 2012

-105% Increase in Net Income Relative to Third Quarter 2011-

-Completion of Accretive Acquisition With Vertical Integration Benefits-

-Conference Call Today at 10:00 A.M. EDT-

Houston, TX - November 14, 2012 Vertex Energy, Inc. (OTC BB:[VTNR](#)), an environmental services company that recycles industrial waste streams and off-specification commercial chemical products, today announced its financial results for the third quarter ended September 30, 2012.

Financial highlights for the third quarter and first nine months of 2012 include:

- Revenue increased 19% to \$36.2 million for the third quarter of 2012 versus \$30.3 million in the year-ago third quarter;
- Gross profit increased to \$3.2 million for the quarter compared with \$2.0 million reported in the same period last year;
- Net income for the third quarter of 2012 was \$2.1 million, or \$.13 per fully diluted share, compared with net income of \$1.0 million, or \$0.06 per diluted share in the third quarter of 2011;
- Overall sales volumes in terms of total barrels of finished product sold increased by 23% compared with last year's third quarter;
- Revenue increased 31% to \$102.3 million for the first nine months of 2012 versus \$78.4 million in the year-ago period;
- Gross profit for the nine months 2012 was \$6.82 million compared with \$6.77 million in the year-ago period;
- Net income for the nine-month period of 2012 was \$3.5 million or \$0.25 per fully diluted share compared with \$3.6 million or \$0.25 per fully diluted share in the first nine months of 2011;

Benjamin P. Cowart, Chief Executive Officer of Vertex Energy said, "The third quarter of 2012 was a positive one for us both financially and strategically, with improvements in revenue, gross profit, sales volumes and net income relative to the same quarter a year ago." Mr. Cowart added, "Perhaps more important than our improved financial performance is the completion of the acquisition of Vertex Holdings during the third quarter of this year."

The Company's previously announced acquisition is expected to improve gross margins going forward, increase the volume of used oil controlled by the Company and provide a platform for future growth. Mr. Cowart stated, "This acquisition presents a number of benefits for Vertex Energy and its shareholders. The completion of this deal allows our company to become a fully vertically integrated player within our industry from collection of used oil all the way through the sale of our processed finished products.

From a financial perspective, we are now able to source more of the used oil needed to run our TCEP facility directly from used oil generators rather than having to purchase it from other collectors, which we anticipate will lead to lower feedstock costs and higher gross margins. Additionally, we expect that the outright ownership of TCEP resulting from this acquisition will allow us to run the process with reduced operating expenses relative to previous periods." Mr. Cowart continued, "We believe the strategic value of this acquisition is also critical. By owning our own collection operations, we now have a platform from which we can acquire and integrate additional collectors in key geographic areas to support our existing TCEP process and additional TCEP facilities in the future. Vertex Energy's previous experience in used oil collection is strengthened by the new management additions from the acquired collection businesses. We believe that the acquisition positions us well for improved financial performance and overall growth going forward."

CONFERENCE CALL

As previously announced, management of Vertex Energy will host a conference call today at 10:00 a.m. EDT. Those who wish to participate in the conference call may telephone 877-407-4019 from the U.S.; international callers may telephone 201-689-8337, approximately 15 minutes before the call. A webcast will also be available at: www.vertexenergy.com.

A digital replay will be available by telephone approximately two hours after the call's completion until December 7, 2012, and may be accessed by dialing 877-660-6853 from the U.S. or 201-612-7415 for international callers.

ABOUT VERTEX ENERGY, INC.

Vertex Energy, Inc. (OTCBB:[VTNR](http://www.vtnr.com)), is a leading environmental services company that recycles industrial waste streams and off-specification commercial chemical products. Its primary focus is recycling used motor oil and other petroleum by-product streams. Vertex Energy purchases these streams from an established network of local and regional collectors and generators. The company also manages the transport, storage and delivery of the aggregated feedstock and product streams to end users, and manages the re-refining of a portion of its aggregated petroleum streams in order to sell them as higher-value end products. Vertex Energy sells its aggregated petroleum streams as feedstock to other re-refineries and fuel blenders or as replacement fuel for use in industrial burners. The re-refining of used motor oil that Vertex Energy manages takes place at a facility operated by a related party that uses a proprietary Thermal Chemical Extraction Process ("TCEP") technology. Based in Houston, Texas, Vertex Energy also has offices in Georgia and California. More information on the company can be found at www.vertexenergy.com.

This press release may contain forward-looking statements, including information about management's view of Vertex Energy's future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995

(the "Act"). In particular, when used in the preceding discussion, the words "believes," "expects," "intends," "plans," "anticipates," or "may," and similar conditional expressions are intended to identify forward-looking statements within the meaning of the Act, and are subject to the safe harbor created by the Act. Any statements made in this news release other than those of historical fact, about an action, event or development, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause the results of Vertex Energy, its divisions and concepts to be materially different than those expressed or implied in such statements. These risk factors and others are included from time to time in documents Vertex Energy files with the Securities and Exchange Commission, including but not limited to, its Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on Vertex Energy's future results. The forward-looking statements included in this press release are made only as of the date hereof. Vertex Energy cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, Vertex Energy undertakes no obligation to update these statements after the date of this release, except as required by law, and also takes no obligation to update or correct information prepared by third parties that are not paid for by Vertex Energy.

VERTEX ENERGY, INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2012	December 31, 2011
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,151,016	\$ 675,188
Accounts receivable, net	8,362,742	5,436,006
Accounts receivable- other	127,162	
Accounts receivable- related party	-	2,459
Inventory	6,507,217	6,408,780
Prepaid expenses and other current assets	221,817	151,821
Total current assets	16,369,954	12,674,254
Noncurrent assets		
Licensing agreement, net	-	1,929,549
Fixed assets, net	10,770,902	124,168
Intangible assets	16,255,000	-
Goodwill	3,515,977	
Deferred federal income tax	3,669,000	2,006,000
Total noncurrent assets	34,210,879	4,059,717

TOTAL ASSETS	\$ 50,580,833	\$ 16,733,971
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses	\$ 10,055,679	\$ 6,464,193
Accounts payable-related party	917,519	620,724
Current portion of long-term debt	1,748,023	-
Deposits	-	235,557
Total current liabilities	12,721,221	7,320,474

Long-term liabilities

Long-term debt	6,860,948	-
Contingent consideration	4,711,000	-
Line of credit	6,000,000	-
Deferred federal income tax	100,000	76,000
Total liabilities	30,393,169	7,396,474

Commitments and contingencies

STOCKHOLDERS' EQUITY

Preferred stock, \$0.001 par value per share:

50,000,000 shares authorized

Series A Convertible Preferred stock, \$0.001 par value, 5,000,000 authorized and 3,133,147 and 4,426,639 issued and outstanding at September 30, 2012 and December 31, 2011, respectively	3,133	4,427
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Common stock, \$0.001 par value per share; 750,000,000 shares authorized; 15,315,208 and 9,414,926 issued and outstanding at September 30, 2012 and December 31, 2011, respectively	15,315	9,415
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Additional paid-in capital	10,644,033	3,319,388
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Retained earnings	9,525,183	6,004,267
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Total stockholders' equity	20,187,664	9,337,497
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 50,580,833	\$ 16,733,971
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VERTEX ENERGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Revenues	\$36,195,570	\$30,301,326	\$102,316,702	\$78,383,111
Revenues - related parties	-	-	-	17,978
	36,195,570	30,301,326	102,316,702	78,401,089
Cost of revenues	33,011,934	28,268,785	95,497,261	71,632,067
Gross profit	3,183,636	2,032,541	6,819,441	6,769,022
Selling, general and administrative expenses (exclusive of merger related expenses)	1,610,146	997,723	3,724,120	3,030,461
Acquisition related expenses	1,154,612	-	1,154,612	-
Total selling, general and administrative expenses	2,764,758	997,723	4,878,732	3,030,461
Income from operations	418,878	1,034,818	1,940,709	3,738,561
Other income (expense)				
Interest income	949	-	1,582	-
Interest expense	(28,972)	(3,593)	(29,016)	(57,811)
Total other income (expense)	(28,023)	(3,593)	(27,434)	(57,811)
Income before income tax	390,855	1,031,225	1,913,275	3,680,750
Income tax (expense) benefit	1,714,813	(3,000)	1,607,641	(45,689)
Net income	\$2,105,668	\$1,028,225	\$3,520,916	\$3,635,061
Earnings per common share				
Basic	\$0.17	\$0.11	\$0.35	\$0.42
Diluted	\$0.13	\$0.06	\$0.25	\$0.25
Shares used in computing earnings per share				

Basic	12,255,372	9,187,227	10,085,206	8,722,642
Diluted	16,484,023	15,851,393	14,358,691	14,503,882

VERTEX ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(UNAUDITED)

	Nine Months Ended	
	September	September
	30,	30,
	2012	2011
Cash flows operating activities		
Net income	\$ 3,520,916	\$ 3,635,061
Adjustments to reconcile net income to cash provided by (used in) operating activities		
Stock based compensation expense	124,626	94,358
Depreciation and amortization	180,402	120,138
Deferred federal income tax benefit	(1,639,000)	-
Changes in assets and liabilities		
Accounts receivable	(1,073,778)	(4,010,965)
Accounts receivable- other	(127,162)	
Accounts receivable- related parties	2,459	(10,967)
Inventory	(85,658)	(4,864,249)
Prepaid expenses	23,313	(11,381)
Accounts payable	1,005,932	2,872,639
Accounts payable-related parties	296,795	685,968
Deposits	(235,557)	1,080,277
Net cash provided by (used in) operating activities	1,993,288	(409,121)
Cash flows from investing activities		
Purchase of intangible assets	(209,061)	(232,214)
Acquisition, net	(1,319,015)	
Purchase of fixed assets	(77,232)	(92,051)
Net cash used in investing activities	(1,605,308)	(324,265)
Cash flows from financing activities		
Borrowing from (payments to) note payable	(3,777)	1,000,000
Proceeds from exercise of common stock warrants	91,625	306,250

Net cash provided by financing activities	87,848	1,306,250
Net increase in cash and cash equivalents	475,828	572,864
Cash and cash equivalents at beginning of the period	675,188	744,313
Cash and cash equivalents at end of period	\$ 1,151,016	\$ 1,317,177

SUPPLEMENTAL INFORMATION

Cash paid for interest during the period	\$ 1,005	\$ 78,505
Cash paid for income taxes during the period	\$ 6,187	\$ 56,000

NON-CASH TRANSACTIONS

Conversion of Series A Preferred Stock into common stock	\$ 78	\$ 224
Conversion of Series B Preferred Stock into common stock	\$ -	\$ 600,000

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or

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