

Thermal Energy Receives \$500,000 GEM Order to Provide Hospital with Significant Energy and Maintenance Savings

OTTAWA, ONTARIO – September 14, 2016 – <u>Thermal Energy International Inc.</u> ("Thermal Energy" or the "Company") (TSXV: <u>TMG</u>), a global provider of proprietary energy efficiency solutions to the industrial, commercial and institutional sectors, has received an order for its GEM™ venturi steam traps valued at approximately \$500,000 from a new hospital customer. Converting the hospital's steam system over to GEM traps is expected to provide the hospital with fuel and maintenance savings of approximately \$282,000, resulting in a project payback of under two years. The GEM traps are also expected to reduce the hospital's carbon emissions by 1,085 tonnes per year. The order is expected to be completed and revenue substantially earned over the next six months.

"This is our third significant hospital order in the last eight weeks for a combined total of more than \$2.4 million," said William Crossland, CEO of Thermal Energy. "Hospitals consume vast amounts of energy. Our hospital customers see the value of becoming more environmentally sustainable and seek out savings opportunities that include using energy more wisely. By implementing our energy efficiency solutions, additional resources can be reallocated for core medical services including staff and equipment, while also contributing to a healthier environment through reduced emissions."

Unlike the traditional mechanical steam traps that will be replaced at the hospital, Thermal Energy's venturi orifice designed GEM steam traps have no moving parts to wear or fail and come with a ten-year guarantee. Several case studies demonstrating the proven benefits Thermal Energy's products have provided to hospitals can be found on the Company's website at www.thermalenergy.com/hospitals.

About Thermal Energy International Inc.

Thermal Energy International Inc. is an established global supplier of proprietary, proven energy efficiency and emissions reduction solutions to the industrial and institutional sectors worldwide. We save our customers money and improve their bottom line by reducing their fuel use and cutting their carbon emissions. Our customers include a large number of Fortune 500 and other leading multinational companies across a wide range of industry sectors.

Thermal Energy is also a fully accredited professional engineering firm, and can offer advanced process and applications engineering services.

By providing a unique mix of proprietary products together with process, energy, environmental, and financial expertise Thermal Energy is able to deliver unique and significant financial and environmental benefits to our customers.

Thermal Energy's products include; <u>GEM</u>TM - Steam traps, <u>FLU-ACE</u>[®] - Direct contact condensing heat recovery, and <u>Dry-Rex</u>[®] - Low temperature biomass drying systems.

Thermal Energy International Inc. has offices in Ottawa, Canada as well as Bristol, U.K., United States, Italy and China. The Company's common shares are traded on the TSX Venture Exchange (TSX-V) under the symbol TMG.

For more information, visit our website at www.thermalenergy.com and follow us on Twitter at http://twitter.com/GoThermalEnergy.

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This press release contains forward-looking statements relating to, and amongst other things, based on management's expectations, estimates and projections, the anticipated effectiveness of the Company's products and services and the timing of revenues to be received by the Company. Information as to the amount of heat recovered, energy savings and payback period associated with Thermal Energy International's products are based on the Company's own testing and average customer results to date. Statements relating to the expected installation and revenue recognition for projects, statements about the anticipated effectiveness and lifespan of the Company's products, statements about the expected environmental effects and cost savings associated with the Company's products and statements about the Company's ability to cross-sell its products and sell to more sites are forward looking statements. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, some of which are outside of the Company's control, could cause events and results to differ materially from those stated. Fulfilment of orders, installation of product and activation of product could all be delayed for a number of reasons, some of which are outside of the Company's control, which would result in anticipated revenues from such projects being delayed or in the most serious cases eliminated. Actions taken by the Company's customers and factors inherent in the customer's facilities but not anticipated by the Company can have a negative impact on the expected effectiveness and lifespan of the Company's products and on the expected environmental effects and cost savings expected from the Company's products. Any customer's willingness to purchase additional products from the Company is dependent on many factors, some of which are outside of the Company's control, including but not limited to the customer's perceived needs and the continuing financial viability of the customer. The Company disclaims any obligation to publicly update or revise any such statements except as required by law.

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