



Thermal Energy Extends Greenpower Purchase Agreement With Fortress Specialty Cellulose

OTTAWA ON – November 29, 2012 – Thermal Energy International Inc. (TSX-V: TMG) a leading provider of custom energy and emission reduction technologies for energy intensive industries and institutions worldwide, is pleased to announced that the previously announced Greenpower Purchase Agreement between Fortress Specialty Cellulose Inc. (“Fortress Specialty”) and Thermal Energy’s subsidiary Forevergreen Energy Inc. has been extended for two years until December 31, 2014. The original arm’s length agreement, entered into in June 2010, was set to expire on December 31, 2012.

The Greenpower Purchase Agreement provides for the purchase, by Fortress Specialty, of energy recovered by Thermal Energy’s FLU-ACE® Waste Heat Recovery System installed at the Fortress Specialty mill in Thurso, Quebec. The FLU-ACE® Waste Heat Recovery System commenced operations and began delivering recovered energy to Fortress Specialty in June 2010. Upon completion of the extended term on December 31, 2014, Fortress Specialty has an option to further extend the agreement for up to a maximum of 24 months on substantially the same terms or purchase the FLU-ACE® Waste Heat Recovery System from Thermal Energy.

“The value our FLU-ACE Heat Recovery System has brought to Fortress Specialty and our other customers is demonstrated in contract renewals such as this,” said William Crossland, President and CEO of Thermal Energy. “The clear energy cost savings that this product provides by recovering and re-distributing waste heat normally lost through process and boiler exhausts continues to benefit our customers and help to build our customer base.”

About Thermal Energy International Inc.

Thermal Energy International Inc. is an innovative cleantech company providing a variety of proprietary and proven energy efficiency, emission reduction, water efficiency, and bioenergy products and solutions to the industrial, commercial and institutional markets worldwide. 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 significant financial and environmental benefits to our customers.

Thermal Energy's products include; **GEM®** - Steam traps and condensate return systems, **FLU-ACE®** - Direct contact condensing heat recovery, and **Dry Rex™** - Low temperature biomass drying systems. These award winning products are effective in a wide variety of industries and application and have an excellent track record of longevity, proven reliability and performance providing significant energy savings, reduced GHG emissions, improved water efficiency, lower maintenance costs, improved product quality and increased production efficiency.

Thermal Energy International Inc. has offices in Ottawa, Canada as well as Bristol, UK, and China. To find out more about Thermal Energy International Inc. (TSX-V: TMG), visit our website at <http://www.thermalenergy.com>.

To find out more about Thermal Energy International Inc. (TSX-V: TMG), visit our website at <http://www.thermalenergy.com>.

Contact:

William Crossland
Thermal Energy International Inc.
(613) 723-6776
bill.crossland@thermalenergy.com

Babak Pedram
TMX Equicom, Investor Relations
(416) 815-0700 ext. 264
bpedram@tmxequicom.com

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.