



Notice of Thermal Energy's Annual and Special Meeting of Shareholders

OTTAWA, ONTARIO – October 2, 2012 – Thermal Energy International Inc. (TSXV: TMG), a leading provider of custom energy and emission reduction technologies for energy intensive industries worldwide, today announced that the Company will hold its Annual and Special Meeting of Shareholders on Thursday, October 25, 2012 at 10:00 a.m. ET at the Hilton Garden Inn Ottawa Airport – 2400 Alert Road, Ottawa, Ontario. All required meeting materials were mailed out to shareholders on October 1, 2012.

In addition to the formal proceedings, the shareholders Rights Plan, which was announced on September 28, 2012, will be up for approval and also the election of two new nominees to the board of directors, Bruce Linton and Jack Schoenmakers.

Bruce Linton is the CEO and a member of the board of directors of Clearford Industries Inc., a TSX-V listed company. Prior to joining Clearford, Mr. Linton was the General Manager and Re-Founder of ComputerLand, President and Co-Founder of webHancer Corp., and worked in various capacities at CrossKeys Systems Corporation and Newbridge Networks. Mr. Linton currently sits as Canada's representative on the World Bank's Water Sanitation Program Advisory Council as well as sitting on the Cleantech Advisory Board for Foreign Affairs Canada. Mr. Linton has significant experience with the introduction of both CrossKeys and Clearford to the Asia Pacific region. Mr. Linton has established regular engagement with the World Bank and Asia Development Bank while focused on markets in India, Philippines, China, Peru, Colombia, Ecuador, Azerbaijan and Uzbekistan. Mr. Linton lead CrossKeys and Clearford's entry into the China market and in 2009 Clearford was awarded by the Canada-China Business Council for their market entry strategy.

Jack Schoenmakers has spent the majority of his working career in the energy industry. Mr. Schoenmakers is currently President of Schoevest Investment Inc., and has been a member of the board of directors of Tribute Resources Inc. a TSX-V listed company, since 2005. Mr. Schoenmakers co-founded and acted as President for Ontario Energy Savings Corp., (currently trading as Just Energy on the TSX) growing the company to annual revenue of \$160 million. Mr. Schoenmakers was previously the President of Avenue Energy, where he managed oil and gas assets in Ontario and Alberta, traded physical gas at various points in Canada and marketed natural gas to large volume industrial customers. In prior roles for several energy companies including Stampeder Energy, Enron Gas Services, Unigas Corporation, TransCanada PipeLines Limited and Union Gas Limited, Mr. Schoenmakers sold natural gas and related services to many of the largest industrial gas consumers in Ontario and Quebec. Mr. Schoenmakers is a past Board Member of the Ontario Energy Association and was a past Chair of the Ontario Energy Marketers Association.

R. James Ansell has decided to not stand for re-election to the board of directors and the Company thanks Mr. Ansell for the valuable contribution he has made to the success of the Company as a member of the board of directors over the last 7 years.

For further information about the annual general meeting, the proxy procedures relating to registered and non-registered shareholders, please refer to the notice of meeting and management information circular for the meeting filed on www.SEDAR.com on September 28, 2012.

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

Neither 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.

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