



Thermal Energy Provides Further Details of \$11 Million Energy Efficiency Project with Resolute Forest Products

- Project qualified for funding from the Ontario Centres of Excellence TargetGHG program -

OTTAWA, ONTARIO– December 8, 2017 – Thermal Energy International Inc. ([“Thermal Energy”](#) or the “Company”) (TSX-V: [TMG](#)), a global provider of industrial and institutional energy efficiency solutions, is pleased to announce further details regarding the \$11 million energy efficiency project it announced on December 5, 2017. As announced by the Ontario government today, this project with Resolute FP Canada Inc. (“Resolute”), which includes the installation of two of Thermal Energy’s proprietary [FLU-ACE®](#) Heat Recovery Systems and the conversion of steam traps to Thermal Energy’s proprietary [GEM™](#) Steam Traps, has secured \$5 million in funding from the Ministry of Research, Innovation and Science through the [TargetGHG](#) Industrial Demonstration Program (“TargetGHG Stream 1 Program”) administered by [Ontario Centres of Excellence](#) (OCE).

Thermal Energy has been working in partnership with Resolute for more than a year, to not only design, develop and now implement a heat recovery and steam conservation project that meets the energy savings and greenhouse gas reduction goals of Resolute’s Thunder Bay, Ontario mill, but to also, at the same time, apply for and secure funding for the project from OCE’s TargetGHG Stream 1 Program.

“Our ability to match our technology with the funding program and the client, and to manage and lead the application process was a key component to landing this project and the funding,” said William Crossland, CEO of Thermal Energy. “This demonstrates that, we can not only deliver a project, but also identify and win the applicable funding for our customers as well. This combination of product and service provides a tremendous added value offering for our clients in a space where carbon taxes and funding opportunities for GHG reduction projects are steadily growing.”

Supported by the Ontario government with funding from the Ontario Green Investment Fund, the TargetGHG Stream 1 Program is designed to encourage large Ontario industrial plants to adopt leading-edge emission reduction technologies from Ontario based solution providers such as Thermal Energy International. Adopting leading-edge clean technologies helps to keep Ontario industry globally competitive, and building better, stronger cleantech companies serves to increase Ontario’s market share in a rapidly expanding global sector.

The stated benefits of the TargetGHG Stream 1 Program for a solution provider like Thermal Energy include:

- Scale and demonstration of a GHG emission reduction innovations with an Ontario-based industrial emitter
- Validation of the GHG emission reduction innovation with a reference customer
- Developing connections into Ontario's cleantech ecosystem
- Increasing revenue and investment

The application to the TargetGHG Stream 1 Program was a competitive multi-step process requiring: a detailed implementation plan and a third party assessment of GHG emission reductions and environmental co-benefits, information regarding the technology, value proposition, team and the use of funds. The third party assessment of GHG emission reductions must be carried out by an accredited verification body (accredited to ISO 14065) and provide validation of project-level GHG emission quantification. A successful application also required a full review by an External Review Panel (ERP), comprised of sector experts.

Preference was given to projects that, among other things, demonstrated the following:

- Application of innovative Ontario owned technologies
- Significant and reasonable reduction in GHG emissions at the lowest cost
- Complementary environmental co-benefits that improve the quality of soil, air, water.
- Broad applicability and benefit to the cleantech industry,
- Strong industry partnerships between industry emitter and solution provider
- Strong management capability to effectively implement the GHG reduction solution

“This project truly highlights the compelling case for improving energy efficiency and is a major win-win scenario for all involved,” said William Crossland. “Improving energy efficiency is systematically cheaper than other greenhouse gas reduction solutions. This project is expected to result in natural gas savings of more than 35% while reducing the mill’s greenhouse gas emissions by more than 20%, or approximately 43,000 metric tonnes. The estimated annual reduction in greenhouse gas emissions resulting from the project is equivalent¹ to the benefit from installing 11 large scale wind turbines with an estimated cost of about \$47 million². With a high return on investment and short, compelling paybacks, our proven energy efficiency solutions do not really cost money, they save money. We are pleased to have our proven technologies included in the OCE’s TargetGHG incentive program and hope to leverage this to further develop our connections within Ontario’s cleantech ecosystem.”

“Supporting the efforts of large industries in their quest to reduce their greenhouse gas emissions is an important part of our government’s Climate Change Action Plan,” says Reza Moridi, Minister of Research, Innovation and Science. “With the help of our province’s innovative cleantech companies, the TargetGHG program will help build a prosperous, low carbon economy and create a cleaner, more sustainable future for Ontario.”

For more information, please see the following backgrounder and news release links below:

¹ United States Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

² The Cost of Wind Energy in the US: www.awea.org/falling-wind-energy-costs

<https://news.ontario.ca/mris/en/2017/12/ontarios-targetghg-program.html>

<https://news.ontario.ca/ene/en/2017/12/new-program-supporting-low-carbon-innovation-for-industry.html>

This project represents Thermal Energy's largest heat recovery and largest GEM orders to date and is expected to be substantially completed and revenue earned over the next 18 months.

About Ontario Centres of Excellence (OCE) Inc.

OCE drives the commercialization of cutting-edge research across key market sectors to build the economy of tomorrow and secure Ontario's global competitiveness. In doing this, OCE fosters the training and development of the next generation of innovators and entrepreneurs and is a key partner with Ontario's industry, universities, colleges, research hospitals, investors and governments. A champion of leading-edge technologies, best practices and research, OCE invests in sectors such as advanced health, digital media and information communications, advanced manufacturing and materials, and cleantech including energy, environment and water. OCE is a key partner in delivering Ontario's Innovation Agenda as a member of the province's Ontario Network of Entrepreneurs (ONE). Funded by the Government of Ontario, the ONE is made up of regional and sector-focused organizations and helps Ontario-based entrepreneurs rapidly grow their company and create jobs.

About Resolute Forest Products Inc.

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products, newsprint and specialty papers, which are marketed in over 70 countries. The company owns or operates some 40 manufacturing facilities, as well as power generation assets, in the United States and Canada. Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards. The shares of Resolute Forest Products trade under the stock symbol RFP on both the New York Stock Exchange and the Toronto Stock Exchange.

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

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

Thermal Energy International Inc. has offices in Ottawa, Canada as well as Bristol, U.K., United States, Germany, 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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