Thermal Energy and the Climate Foundation Collaborating to Develop New Sanitation Solution

OTTAWA, ONTARIO – April 28, 2014 – Thermal Energy International Inc. ("Thermal Energy" or the "Company") (TSXV: TMG), a global provider of energy efficiency and emission reduction solutions, announced today that it is assisting the Climate Foundation in the development of a new "biochar" sanitation solution that utilizes reduced versions of Thermal Energy's proprietary Flu-Ace® and Dry-Rex® technologies.

Prototype Demonstrated at the Reinvent the Toilet Fair in Delhi, India

A prototype of the sanitation system was demonstrated at the Reinvent the Toilet Fair: India in Delhi on March 22, 2014. The fair was co-hosted by the Government of India's Department of Biotechnology and the Bill & Melinda Gates Foundation. The Climate Foundation has also received funding to adapt the system for Kivalina, Alaska, an Arctic North America community that faces significant public sanitation concerns in the midst of severe climate change.

"We are excited by the future possibilities that this sanitation solution may represent," said William Crossland, CEO of Thermal Energy. "The prototype unit utilizes our FLU-ACE® heat recovery system and our DRY-REX® Biomass Dryer technologies to recapture waste heat for energy-efficient drying. While there is still work to do to optimize and commercialize the system, the biochar sanitation solution represents an innovative breakthrough in managing human solid waste and, consistent with goals of the Reinvent the Toilet Challenge, is designed to eliminate the need for the external introduction of power, water or sewers, while being financially sustainable."

In 2011, the Gates Foundation initiated the Reinvent the Toilet Challenge to bring sustainable sanitation solutions to the 2.5 billion people worldwide who do not have access to safe, affordable sanitation.

Dr. Brian Von Herzen, Executive Director of the Climate Foundation, led a volunteer collaboration of Hertz Fellows from MIT, Caltech, the University of California, Berkeley, and Stanford University in the development of a "biochar" sanitation solution. The biochar group was selected as grant recipients by the Gates Foundation and invited to participate in the Reinvent the Toilet Challenge. Thermal Energy was approached by the Climate Foundation to assist in the development of the biochar solution by incorporating Thermal Energy's Flu-Ace® and Dry-Rex® technologies. Further details on the Climate Foundation's "biochar" sanitation solution can be found on the Climate Foundation website and in the following video hosted on their YouTube channel: "Brian von Herzen (Climate Foundation) on sanitation".

System to be Adapted for a North American Arctic Community

On March 4, 2014 the International Commission for Environmental Cooperation approved the Climate Foundation's proposal to work with the Tribal and City Councils of Kivalina to develop a shovel ready project to provide biochar sanitation to the village. Kivalina, an Inupiat community in the Northwest Arctic, is among seventeen other communities to receive the benefits of an awarded project out of a total pool of 589 applicants.

Dr. Von Herzen said: "Together with Thermal Energy International and an international team of experts we're working on solving the global sanitation problem by processing human solid waste into biochar - a pathogen-free and odor-free resource that can be used as a significant carbon sink, a valuable agricultural supplement or for other beneficial means. Adding biochar to agricultural land improves water quality by significantly reducing runoff, reducing the need for chemical fertilizers, and raising economical agricultural productivity in marginal soils. If developed commercially, this system could significantly improve public health and the quality of life for many, many people around the world."

About the Climate Foundation

The Climate Foundation has the long-term objective to reduce global warming through recycling of carbon on land and in the sea. It is also working to preserve coral reef ecosystems by lowering temperature and ocean acidification, and by supporting terrestrial and marine carbon recycling research, including renewable energy work. In addition, the Climate Foundation works to develop sound policies and protocols for carbon sequestration in our country and other nations. More information about the Climate Foundation can be found at www.ClimateFoundation.org.

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, U.K., United States, Italy and China.

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

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