



NR-13-34

Project Advances for Construction of Clean Coal Upgrading Facility in Indonesia to Total \$1.32 Million

- **Amended agreement increases up-front payments to 22% of \$6,000,000 construction costs**

Vancouver, B.C., Canada, December 18, 2013 – MicroCoal® Technologies Inc. (CNSX: MTI) (OTC: CFQSF) (Frankfurt: OFS.F) (the “Company”) is pleased to announce that PT Wijaya Tri Utama (“PWTU”) has agreed to advance a total of **USD \$1.32 million** pursuant to the Master Coal Upgrade Agreement dated 17th July, 2013 and now amended by agreement of the Parties (see July 29th 2013, News Release #13-20). To date, the Company has received 15% (\$900,000) of the contracted price, with the balance of the prepayment being 7% (\$420,000) payable by December 23, 2013. The full contract price is USD \$6,000,000 and the balance of the payment is being secured by an irrevocable letter of credit arranged by PWTU. In addition to the contracted price, MicroCoal® will receive an annual royalty fee of \$360,000 (6% of the construction price) for a period of six (6) years after completion, plus maintenance fees to be negotiated.

The facility, now under construction, is located on-site at the PWTU coal-fired power plant on the island of Kalimantan, Indonesia and is designed to upgrade the calorific value of approximately 190,000 tonnes per year of low-rank coal (approximately 8,000 Btu/lb.) to a higher calorific coal (approximately 9,000 Btu/lb.) by removing up to 10% of the total moisture. MicroCoal® has concluded that its technology can substantially increase the calorific content of this specific low-rank Indonesian coal above 11,000 Btu/lb. by further reducing the moisture content.

Slawek Smulewicz, CEO and Director of the Company, states: *“The construction of this project, now underway in Indonesia, is validation of the importance of our technology as part of a global energy solution that improves the thermal output of coal and reduces the pollution it generates. We are extremely delighted that PT Wijaya Tri Utama has purchased the MicroCoal® technology to optimize the performance of their coal plant, as Indonesia is one of the world’s largest consumers of low-rank coal. This first commercial installation in Indonesia will serve to showcase the scalability of our modular microwave coal drying and upgrading technology, which we plan to apply to coal-fired power plants worldwide”.*

About MicroCoal® Technologies Inc.

The Company is focused on commercializing its unique, clean-coal upgrading technology known as MicroCoal®; a low-cost, patented microwave technology that reduces moisture in coal resulting in an

upgraded energy content of coal. This process provides significant financial benefits to coal-fired electrical generating utilities such as: large cost savings from switching to low-rank coal, substantial increases in boiler efficiencies and heat output, improved ash efficiencies and reductions in scrubber costs. Important environmental benefits including reductions in most greenhouse gases (SOx up to 70%, NOx up to 50%, CO2 up to 17%) and mercury are also key primary benefits from implementation of this technology. The Company is currently constructing the first commercial facility in Indonesia with other projects to be announced shortly.

We seek safe harbor.

On behalf of the Board of Directors,

“Slawek Smulewicz”
CEO and Director

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FOWARD-LOOKING STATEMENTS

Certain statements included herein, including those that express management's expectations or estimates of our future performance constitute "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the location, construction, operation, maintenance and performance of the Facility, the Construction Fee and other payments by PWTU to MCII, the capabilities of the MicroCoal™ technology and the application of MicroCoal™ technology to other coal plants. The reader is cautioned that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying the Company's expectations regarding forward-looking statements contained in this news release include, among others: that the Facility will be completed substantially on time and on budget, the Facility will substantially achieve the design specifications, PWTU and MCII will enter into definitive documentation for the supporting agreements for the Facility, and MCII will receive the Construction Fee and other payments from PWTU. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, risks that: the completion of the Facility will not proceed as expected; the Facility will not perform as designed; MCII and PWTU will not agree to definitive documentation for the supporting agreements on the terms expected or at all; MCII will not receive the letter of credit in respect of the Construction Fee and/or will not receive the annual payments and maintenance fees on when due or at all; low-rank coal will continue to be priced meaningfully lower than high-rank coal; off-peak electricity prices will continue to be priced meaningfully lower than peak electricity prices; and other risk factors listed from time to time in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on forward-looking statements, which are qualified in their entirety by this cautionary statement. Except as required by applicable securities law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events. Neither CNSX nor its Regulation Services Provider (as that term is defined in the policies of the CNSX) accepts responsibility for the adequacy or accuracy of the release.