



MicroCoal® Technologies Commences Construction of Plant in Virginia, USA

Vancouver, B.C., Canada – August 28, 2014 – MicroCoal® Technologies Inc. (CSE: MTI) (Frankfurt: OFS.F) (OTC: CFQSF) (“MicroCoal” or the “Company”) announced today its planned construction of a commercial-scale MicroCoal® reactor facility located in the Fontainebleau Industrial Park in King William County, Virginia (the “Virginia Plant”).

MicroCoal entered into a three-year lease with an option to purchase five acres of industrial-zoned land. The Virginia Plant will be designed to feature a raw materials storage/handling facility, offices and laboratory space, welding/fabrication area, and a fully operational MicroCoal® commercial scale reactor. The Company expects construction to be completed in the first quarter of 2015, at a currently estimated cost of approximately USD \$2.5 million.

Once operational, the Virginia Plant is planned to employ 6 full-time staff that will be responsible for conducting coal testing, and generating data for process and reactor design optimization. Unlike the Company’s smaller Gaithersburg laboratory that is used for specific parametric testing, the Virginia Plant will be designed to allow the Company to showcase the complete MicroCoal® process from start to finish.

Dr. Jim Young, MicroCoal’s Chairman commented: “This is consistent with the commitment the Board of Directors made to MicroCoal shareholders earlier this year; to have a commercial scale facility that can demonstrate the viability of our science in North America by first quarter of 2015. We are very pleased with the warm welcome, rapid response and assistance from King William County, Trent Funkhouser - County Administrator and Bret Schardein - Community Development Director in assisting our efforts to locate here. ”

The construction of the Virginia Plant represents an important expansion of the Company’s research and development program, from a single-reactor pilot facility in Golden, Colorado, to a full-scale demonstration plant. The reactor configuration planned for deployment at the Virginia Plant will be designed to showcase new improvements for throughput and dehydration rates that will be featured in MicroCoal’s Generation 2.0 system.

Lawrence Siegel, MicroCoal’s CEO stated: “The Virginia Plant can not only serve to attract utilities, but will assist the Company in refining every step of the MicroCoal process, from coal handling/processing to post-treatment storage and end-use at the utility site. As we continue to progress the installation of our first commercial facility in Indonesia, data generated at the Virginia Plant will help ensure that this operation is a success and cement our legacy as the world’s first successful microwave-based coal drying system.”

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 such as reductions in greenhouse gases and mercury can also be derived from implementation of this technology. The Company is currently constructing the first commercial facility in Indonesia and discussions for other projects are underway.

On behalf of the Board of Directors,

“Dr. James Young”

Chairman of the Board of Directors

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FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements that reflect the current views and/or expectations of MicroCoal with respect to its performance, business and future events, including statements regarding cash flow, growth and future prospects of our business, the completion of the first full scale MicroCoal facility, our perceptions of the industry and markets in which we operate and anticipated trends in such markets, the entry into of additional agreements for MicroCoal facilities, the completion of the Virginia Plant, and the future development and commercial deployment of MicroCoal's technologies. 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 and markets 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 MicroCoal will complete the first full scale facility in Indonesia as expected, that negotiations will proceed for other projects, that MicroCoal will complete the Virginia Plant in the first quarter of 2015, and that MicroCoal will successfully optimize its technologies in order to successfully commercialize and deploy them as planned. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, that the first full scale facility in Indonesia may not be completed or operate as expected, that MicroCoal may not be able to negotiate agreements for additional projects on terms acceptable to MicroCoal, that MicroCoal may not be able to complete the Virginia Plant on the timeline expected or at all, and that MicroCoal may not be able to successfully optimize and commercialize its technologies as planned. 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 law, the Corporation does not intend, and undertakes no obligation, to update any

forward-looking statements to reflect, in particular, new information or future events. Neither CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of the release.