



## MicroCoal® enters into Joint Venture Agreement for China

Vancouver, B.C., Canada – October 22, 2014 – MicroCoal® Technologies Inc. (CSE: MTI) (Frankfurt: OFS.F) (OTC: CFQSF) ("MicroCoal" or the "Company") announced today the signing of a joint venture agreement ("Agreement") with an affiliate (the "JV Partner") of Jiu Feng Investments Inc. ("JFI"), a Hong Kong based private company.

Under the terms of the Agreement, MicroCoal and the JV Partner have agreed to form a corporation domiciled in Hong Kong ("JVCO") in which MicroCoal will enjoy a 51% equity interest and majority position on its Board of Directors. JVCO is expected to carry on its activities throughout China, Hong Kong, Taiwan, Macau and South Korea, and its key functions are planned to include:

- operating an approximate 11,000 square meter MicroCoal® complex ("Complex") in Songjiang Industrial Park, Shanghai. The Complex, which was recently officially completed at an estimated cost to JFI of over USD \$19 million, includes: (1) a research and development facility featuring a MicroCoal® batch oven system, dedicated power supply and transformer, coal storage area, analytical laboratory, and is designed to be capable of supporting a planned commercial-scale operating reactor tower; and (2) a promotional showroom featuring scale models of the MicroCoal® equipment and data/conference rooms for sharing data with potential customers;
- sourcing and testing various coal samples from Asian markets to identify coals that can derive the greatest added value from the MicroCoal® process;
- hiring personnel to develop business opportunities with state-owned and private utilities in Asia (particularly China); and
- promoting the MicroCoal® technology in China and generating access to Asia's capital markets and investors through a second MicroCoal office in Hongqiao, Shanghai.

As consideration for the substantial asset and financial contributions from JFI in connection with, and in contemplation of, the joint venture, MicroCoal has agreed to issue a total of up to 10 million common shares to the JV Partner, 6 million of which shall be payable on closing of the joint venture and the balance no later than 120 days following closing, assuming the JV Partner performs as required under the Agreement.

The Agreement has an initial term of 5 years, and shall automatically renew for a subsequent five year period unless either party earlier terminates at least six months prior to the end of the initial term. However, subject to customary termination rights, only the JV Partner will be entitled to terminate the Agreement during the initial term if the aggregate revenues of JVCO exceed USD \$100 million in that period.

Lawrence Siegel, MicroCoal's CEO commented: "In anticipation of its official opening, the Complex has already hosted senior delegations from China's largest power utility companies including China Petroleum & Chemical Corporation ("Sinopec"). These delegations were invited to live demonstrations

of the MicroCoal® technology and witnessed successful de-hydration of a variety of low rank coal. Following these initial tests, we have received an invitation from Sinopec to sign an MOU to escalate batch testing to full-scale commercial studies. This valuable data, which is already being implemented into the Company's R&D program in the United States, is supporting the Company's primary goal to complete MicroCoal's Generation 2.0 series of reactors in Virginia in 2015."

Dr. James Young, MicroCoal's Chairman further stated: "This achievement would not have been possible without the tireless effort and support from JFI, particularly its CEO, who has helped successfully develop major business opportunities in China's state-owned sector, and in a very short time, has allowed MicroCoal to attract technical talent and potential customers from a variety of industries in China. Now that the Complex in Songjiang is constructed and operational, the Company looks forward to generating a database of how coals from Asia behave when treated with MicroCoal®, and using this data to further optimize the technology and strengthen our goal to generate commercial revenues."

Closing of the joint venture is subject to a number of conditions, including receipt of all necessary regulatory approvals and the execution of certain ancillary agreements, including a lease agreement in respect of the Complex and a technology license agreement in respect of the MicroCoal® technology.

#### **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 and formation of the joint venture, the execution and delivery of the lease agreement and the technology license agreement, our plans to operate the Complex, test coal from various parts of Asia and promoting our technology in Asia, entering into one or more MOUs, the generation of revenue from our technology, our perceptions of the industry and markets in which we operate and anticipated trends in such markets, the issuance of up to 10 million common shares to the JV Partner, the completion of MicroCoal's Generation 2.0 series of reactors in Virginia in 2015, and the entry into of additional agreements for MicroCoal facilities, if any. 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 joint venture and related documentation as expected, including the receipt of any required regulatory approvals, that the JV Partner will perform as expected under the Agreement, the Complex will perform as intended, that negotiations will proceed with utility companies in China, and that MicroCoal's Generation 2.0 series of reactors will be completed in 2015. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, that the joint venture may not be completed. 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.