



MicroCoal® signs Investment Agreement for \$12 million; Enters into Joint Venture Agreement for India

Vancouver, B.C., Canada – January 16, 2015 – MicroCoal® Technologies Inc. (CSE: MTI) (Frankfurt: OFS.F) (OTC: CFQSF) ("MicroCoal" or the "Company") is pleased to announce that it has signed a definitive investment agreement (the "Investment Agreement") with an affiliate ("SOHL") of Cadila Pharmaceuticals Limited ("Cadila"), and has entered into a joint venture agreement (the "JV Agreement") with Cadila for the Republic of India.

Pursuant to the Investment Agreement, SOHL has agreed to invest an aggregate of approximately \$11.857 million in MicroCoal (the "Investment") by subscribing for 79,046,666 common shares ("Shares") of the Company at a price of \$0.15 per Share. The Investment Agreement also provides that SOHL will be given certain anti-dilution and participation rights to subscribe for certain future Share issuances by the Company for so long as it holds at least 5% of the outstanding Shares providing SOHL the option to maintain is *pro rata* percentage ownership in the Company. SOHL will also have the right to appoint a director to the board of the Company, which right will continue for so long as SOHL maintains ownership of 5% or more of the Shares.

Lawrence Siegel, MicroCoal's CEO commented: "We are very pleased to welcome Cadila as a major shareholder and joint venture partner of the Company and look forward to working with them as we continue to further develop and commercialize our technology. This significant investment strongly affirms the Company's strategic direction, and this investment will support the Company's goal to complete MicroCoal's Generation 2.0 series of reactors in Virginia in the second quarter of 2015."

Dr. James Young, MicroCoal's Chairman further stated: "We appreciate the significant efforts that have gone into reaching these agreements with Cadila. The decision by Cadila to invest in our Company and form a joint venture further validates the science underlying our technology. Their involvement supports the major steps taken by management during 2014 and positions the Company strongly to start 2015 as we look to move forward with demonstrating the commercial viability of our technology."

Dr. Young continued: "We also look forward to welcoming Dr. Rajiv Modi to the board at the next annual meeting of shareholders. Dr. Modi has a wealth of experience as a public company director and conducting business in India, and we believe his knowledge and insight will be an invaluable addition to the board."

MicroCoal intends to use the proceeds from the Investment primarily towards completion of its Generation 2.0 series of reactors in Virginia, to establish the joint venture in India, and for general corporate purposes and working capital. All Shares issued under the Investment will be subject to a four-month hold period from the closing date, in accordance with the rules and policies of the CSE and applicable Canadian securities laws and such other restrictions as may apply under foreign securities laws. In accordance with the terms of the Company's shareholder rights plan, the board has suspended the application thereof with respect to the Investment.

Under the terms of the JV Agreement, MicroCoal and Cadila have agreed to form a corporation domiciled in India ("JVCO") in which MicroCoal and Cadila will each hold a 50% interest. JVCO is expected to carry on its activities throughout India, and its key functions are planned to include:

- establishing and operating a testing/demonstration facility for the purpose of demonstrating the cost effectiveness of MicroCoal's technology to companies in the coal mining or coal-based electricity generation industries in India;
- marketing and promoting MicroCoal's technology throughout India; and
- developing one or more commercial-scale facilities in India based upon or incorporating MicroCoal's technology.

Pursuant the JV Agreement, the parties have agreed to enter into an intellectual property license agreement (the "License Agreement") whereby MicroCoal will contribute its technology to JVCO by granting JVCO a fully paid up license to, among other things, research and develop and commercialize MicroCoal's intellectual property in India. The License Agreement will permit JVCO to establish a testing/demonstration facility in India, utilize the MicroCoal trademark to market the technology in India and develop or sell commercial facilities.

Closing of the Investment and the JV Agreement is subject to customary closing conditions, including receipt of any required regulatory approvals.

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

For further information, please contact:

MicroCoal™ Technologies Inc.

Telephone: (778) 995 5833

office@mticoal.com

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, closing of the Investment, the completion and formation of the joint venture, the execution and delivery of the technology license

agreement, our plans to operate a facility in India and promoting our technology in India, 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 completion of MicroCoal's Generation 2.0 series of reactors in Virginia in the second quarter of 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 Investment and joint venture and related documentation as expected, including the receipt of any required regulatory approvals, that Cadila will perform as expected under the Agreement, the facility in India will perform as intended, that negotiations will proceed with coal mining or coal-based electricity generation companies in India, and that MicroCoal's Generation 2.0 series of reactors will be completed in the second quarter of 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.