

## **PRESS RELEASE**

### **OPTION THREE ADVISORY SERVICES LIMITED SUBSCRIBED FOR UNITS OF BACTECH ENVIRONMENTAL CORPORATION**

Toronto, Canada, October 3, 2012 - Option Three Advisory Services Limited ("Option Three") announced that it subscribed for 9,666,666 units of BacTech Environmental Corporation ("BacTech" or the "Company", CNSX: BAC) for Cdn\$1,450,000, or Cdn\$0.15 per unit, by way of a private placement transaction as previously announced by BacTech on August 27, 2012, and intends to subscribe for an additional 333,334 units of BacTech for Cdn\$50,000 as part of a second tranche of the previously announced private placement.

The units were issued by BacTech from treasury. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant entitles Option Three to purchase one common share of BacTech at a price of Cdn\$0.17 per common share for a period of 360 days from the first anniversary of the date of issue. The warrants can be exercised prior to the first anniversary of the date of issue provided that, after giving effect to the exercise, Option Three, nor any of its affiliates (as such term is defined in the *Securities Act* (Ontario), shall not directly or indirectly own more than 19.99% of the then issued and outstanding common shares of BacTech. The common shares and warrants are subject to a four month hold period.

After the issuance of 9,666,666 units of BacTech to Option Three, Option Three will own approximately 19.83% of BacTech's outstanding common shares, on an undiluted basis, and approximately 33.09% assuming only Option Three exercises its warrants. Prior to the subscription, Option Three owned no securities of BacTech.

As part of its subscription for units, Option Three and the Company also entered into an exclusivity agreement whereby, among other things, and subject to applicable law, Option Three will be entitled to nominate a member of the board of directors of BacTech for so long as Option Three directly or indirectly holds at least 10% of the issued and outstanding common shares of BacTech, and Option Three has been given exclusivity for five years with respect to the investment in future projects in certain Eastern European countries. As part of this agreement, Option Three has also agreed to not, at any time, hold more than 19.99% of the issued and outstanding common shares of BacTech without the prior approval of BacTech.

The units were acquired by Option Three for investment purposes. It will evaluate its investment in BacTech from time to time and may, based on such evaluation of market conditions and other circumstances, increase or decrease shareholdings in BacTech as circumstances require. Option Three could increase or decrease its investment in BacTech depending on market conditions or any other relevant factor.

#### **About Option Three**

Option Three Advisory Services Limited was incorporated under the laws of the United Kingdom. Option Three specializes in consulting in the field of investment in environmental, clean technology, green technology and biotechnology.

For further information and to obtain a copy of the early warning report filed under applicable Canadian securities laws in connection with the transactions hereunder, please see BacTech's profile on the SEDAR website [www.sedar.com](http://www.sedar.com).

For more information about Option Three and its investments, please contact Elena Gerasimovskaya at 44 01424 775209.

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