

PRESS RELEASE

OPTION THREE ADVISORY SERVICES LIMITED

DEBT FORGIVENESS ARRANGEMENT WITH BACTECH ENVIRONMENTAL CORPORATION

Toronto, Canada, September 23, 2014 - Option Three Advisory Services Limited ("**Option Three**") announces the closing of a debt forgiveness arrangement (the "**Debt Forgiveness Arrangement**") with BacTech Environmental Corporation ("**BacTech**", CNSX: BAC).

All security holdings and corresponding prices per security contained in this Press Release are presented on a pro-forma basis reflecting a consolidation (the "**Consolidation**") of the common shares of BacTech effective as of July 24, 2014. Pursuant to the Consolidation, Option Three understands the 56,755,027 common shares of BacTech issued and outstanding prior to the Consolidation were consolidated to 11,351,005 common shares.

On May 23, 2014, Option Three acquired 400,000 units (the "**Units**") of BacTech for Cdn\$20,000, or Cdn\$0.05 per Unit, by way of a private placement financing (the "**May Subscription**"). Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles Option Three to purchase one common share of BacTech at a price of Cdn\$0.25 per common share until May 23, 2017.

Following the May Subscription and prior to the Debt Forgiveness Arrangement, Option Three owned 2,333,334 common shares of BacTech, representing approximately 20.56% of BacTech's then outstanding common shares.

Pursuant to the Debt Forgiveness Arrangement, 14,215,934 common shares of BacTech (the "**Consideration Shares**") were issued to Option Three in exchange for the forgiveness of a debt of Cdn\$600,000 plus accrued and unpaid interest and penalties (the "**Indebtedness**") owed by BacTech to a non-resident third party under a convertible loan facility dated June 27, 2013 which facility was assigned by such third party to Option Three pursuant to an assignment and assumption agreement dated September 22, 2014. The total amount of Indebtedness forgiven in exchange for the issuance of the Consideration Shares was Cdn\$710,796.70, or Cdn\$0.05 per Consideration Share.

Following the issuance of the Consideration Shares, Option Three will own approximately 39.98% of BacTech's outstanding common shares, on an undiluted basis, and approximately 43.18% assuming only Option Three exercises its warrants.

As part of the Debt Forgiveness Arrangement, Option Three and BacTech also entered into a waiver and amendment agreement dated September 22, 2014, whereby BacTech and Option Three agreed to waive (with retroactive effect) and delete a provision under an exclusivity and governance agreement which restricted Option Three from, at any time, holding 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 under the May Subscription for investment purposes. The Consideration Shares were acquired by Option Three under the Debt Forgiveness Arrangement as consideration for the forgiveness of the Indebtedness and for investment purposes. Option Three 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.

About Option Three

Option Three Advisory Services Limited exists 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.

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

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