



SHARC Energy Systems UK and Scottish Water Horizons Launch JV to Support Green Energy Agenda

VANCOUVER, British Columbia, March 20, 2018 -- **SHARC International Systems Inc. (CSE:SHRC) (FSE:IWIA) (OTCQB:INTWF) ("SHARC")**, is pleased to announce that its SHARC subsidiary, IWWS (UK) LTD. ("**SHARC UK**") has joined forces with Scottish Water Horizons ("**SWH**"), an executive non-departmental statutory corporation of the Scottish Government under the Water Industry Commission for Scotland ("**WICS**"), to establish a joint venture ("**JV**") which will enable them to expand and accelerate the deployment of wastewater heat recovery systems across Scotland.

The joint venture, to be called Bandwidth Energy Ltd. ("**Bandwidth**") has been set up to manage the installation and maintenance of a number of key green energy projects which are currently in the advanced stages of planning.

Scottish Water Horizons will provide commercial funding for the projects, with SHARC providing the design, build and operational expertise for the green energy installations.

The Scottish Government is supporting the projects by providing 50 per cent grant capital support through its Low Carbon Infrastructure Transition Programme ("**LCITP**").

The new alliance will support the Scottish Government's ambitious renewable heat and carbon reduction targets for 2020. It is the result of three years of collaboration between SHARC and Scottish Water Horizons, which has created a £20 million (\$36.8 million CAD) pipeline of potential installations across Scotland that, when deployed, will generate 170 GWhs per year of heating and cooling to displace the fossil fuel currently used.

This joint venture follows the launch of the UK's first Sewage Heat Recovery system, developed and installed by SHARC and facilitated by Scottish Water Horizons, at Borders College in Galashiels, which aims to displace 1.8 GWhs (Giga Watt hours) of natural gas and save over 150 tonnes of carbon emissions per year.

The system provides heating and cooling to customers through a heat supply agreement. This works much like that of any energy supplier, but the main difference is that customers have no up-front costs. Included in the heat supply agreement are the costs of design, installation, servicing and maintenance and the supply of equipment.

The innovative SHARC™ wastewater heat exchange system, which has been deployed in numerous international locations, intercepts wastewater from sewers and uses heat pump technology to amplify the natural warmth of wastewater. This generates an energy-saving, cost-effective and environmentally-friendly system for heating, cooling and hot water production in commercial and residential buildings.

Russ Burton, SHARC's Chief Operating Officer said: "This announcement is a very exciting step for SHARC and represents the culmination of three years of very productive work with Scottish Water Horizons to identify opportunities for the SHARC technology. "Having the support from Scottish Water Horizons will give customers confidence in the SHARC technology, positioning it as a sustainable and viable wastewater heat recovery solution."

Paul Kerr, Managing Director of Scottish Water Horizons, said: "Heat accounts for over 50 percent of Scotland's total energy use, so by forming this alliance to deploy further heat from waste water schemes, we can help further develop Scotland's low carbon economy. Our alliance with SHARC provides us with a unique and exciting opportunity to maximise the residual heat that runs through some of Scottish Water's 32,000 miles of sewer pipes. Using this innovative technology we are able to roll out a sustainable, low-carbon heating solution to our customers, whilst enhancing and protecting the environment. "

For further information on Bandwidth JV please contact Lauren Mills at SHARC UK at +44 07591 202 587 or Scottish Water Corporate Affairs team on +44 0141 414 7186

About IWWS (UK) LTD - (SHARC UK)

Launched in June 2014, IWWS (UK) LTD is registered in England & Wales (No. 08879759) and specializing in sewage heat recovery technology that is a sustainable alternative energy source. Unique in the UK and Europe, the system generates energy-saving, cost-effective and environmentally-friendly solutions for heating, cooling and hot water for commercial and residential buildings. SHARC brought the technology to the UK for the first time and provides a full design, manufacture and installation service. The SHARC™ system is suitable for both new build and retrofit projects on residential and commercial developments.

SHARC, in partnership with Scottish Water Horizons, recently won two prestigious industry awards.

SHARC Energy Systems and Scottish Water Horizons were nominated in the innovation category for their ground-breaking project at Borders College, in Galashiels, which was launched in 2015, and in November, the project was recognised for its

positive impact on sustainability when Borders College won the Best Newcomer Award at the Green Gown Awards. These awards celebrate sustainability initiatives being undertaken in the university and college sector.

In December, they won the innovation award at the Scottish Green Energy Awards 2017. The awards, hosted by Scottish Renewables, honour the determination and creative thinking which defines new approaches to sustainable energy.

About Scottish Water Horizons

Scottish Water Horizons Ltd is a commercial subsidiary wholly owned by Scottish Water. The company plays a key role in supporting the development of Scotland's sustainable and circular economy by making the most of the public utility's vast array of assets.

From generating renewable energy from wind, solar power and waste water to recycling food waste and facilitating industry innovation, Scottish Water Horizons is helping Scotland meet its renewable targets, reduce carbon emissions and support sustainable development.

The company's growth strategy is to support Scotland as a developing Hydro Nation and take opportunities to harness Scottish Water's asset base through both its own development and working in partnership with other organizations including the public and private sectors.

About SHARC International Systems

SHARC International Systems Inc. is a world leader in thermal heat recovery. SHARC systems recycle thermal energy from wastewater, generating one of the most energy efficient and economical systems for heating, cooling & hot water preheating for commercial, residential and industrial buildings. SHARC is publicly traded in Canada (CSE:SHRC), the United States (OTCQB:INTWF) and Germany (Frankfurt:IWIA).

Further information about the Company is available on our website at www.sharcenergy.com or under our profile on SEDAR at www.sedar.com.

The Company also announces the issuance of 250,000 stock options at \$0.46 to directors, management, and consultants of the Company for a term of twelve (12) months.

ON BEHALF OF THE BOARD

"Lynn Mueller"

Chairman and Chief Executive Officer

For further information, please contact:

Ray Crowley

Telephone: 604 782 0773

Email: ray.crowley@sharcenergy.com

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Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. SHARC's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. SHARC believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.