



Building Work Begins at Clyde Gateway in Major Step Forward for SHARC Energy Systems

VANCOUVER, British Columbia, Sept. 25, 2018 -- **Sharc International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC" or "the Company")** is pleased to announce that the Company's UK subsidiary SHARC Energy Systems ("SHARC Energy"), has started construction work at Clyde Gateway in an important step forward for SHARC Energy, to demonstrate the use of its technology as a green solution that could help meet the growing appetite for district heating in the UK.

The UK renewable energy firm will use its innovative wastewater heat recovery technology to generate the heating and cooling services for the site, in Glasgow, providing an initial 2MW of capacity, with room to expand further as the development grows.

In addition, SHARC™ system will be integrating Solar PV, Battery Storage, Micro CHP and thermal stores to the project to help reduce the system's reliance on grid electricity and demonstrate how by integrating technologies, heat pump systems can be an efficient alternative to the traditional combustion-based heating model currently in use.

While SHARC'S system uses electricity to operate and generate heat, its idea to integrate on-site power generation means the system will also create its own electricity. This means it is able to sell any surplus back to the grid. Also, by integrating battery and thermal storage technologies on site, SHARC Energy will be able to avoid buying grid electricity during peak periods, when the price is highest.

To get to this point has required high-level collaboration between the Clyde Gateway development company, SHARC Energy, Scottish Water Horizons – a wholly owned commercial subsidiary of Scottish Water – and Andrew Muirhead Leather – the anchor customer for SHARC's Energy heating supply.

Andrew Muirhead Leather is also keen to explore further innovation for the development, including researching the use of the oil bi-product from its production process which can be filtered to create a biofuel source for the onsite CHP enabling a fully circular waste-to-energy solution for the scheme.

To get the development off the ground, SHARC Energy secured initial funding of £3.7 million, with repayable assistance from the Scottish Government's Low Carbon Infrastructure Transition Programme ("LCITP"), supported by the 2014-2020 European Regional Development Fund programmes, matched by commercial loans and investments from the Energy Saving Trust, Clyde Gateway and SHARC International Systems Inc. (the Canadian parent company of the UK firm).

Regeneration agency Clyde Gateway is working with SHARC Energy after the UK firm, which is based in Glasgow and Newark in Nottinghamshire, demonstrated the benefits of its proprietary heating and cooling technology. SHARC Energy has a working agreement with Scottish Water Horizons enabling it to tap in to the utilities nearby sewers.

SHARC's technology extracts the natural warmth contained within this water and transfers the heat to the clean side of the heating system via a heat exchange mechanism. The recovered heat is then amplified via heat pumps to generate the appropriate temperatures for use in all types of buildings.

SHARC Energy provides heating and cooling to customers through a heat supply agreement. This works like that of any energy supplier, with the main advantages including no up-front costs and competitive prices capped for the length of the agreement. Additional benefits include reduced carbon emissions and protection against energy shortages as wastewater is an inexhaustible resource.

SHARC Energy will build its specialist energy centres on the Clyde Gateway site, manned by staff who monitor and maintain all the SHARC units required to serve the site, enabling occupiers to have direct contact with their energy provider.

Russ Burton, the Chief Operating Officer of SHARC Energy Systems, said: "Having arrived at a site start position is great testament to the hard work and dedication of all the SHARC staff, supplier partners and wider stakeholders involved in this very exciting scheme. The opportunity to create another first for the UK is really exciting and ensures that our business remains on the leading edge of the energy transition process now underway across the UK."

This project will enable us to further demonstrate our contribution to the Scottish Government's ambitious and exciting energy decarbonisation and transition strategy, aimed at developing a low carbon economy for Scotland, but also reinforces our credentials as an innovative and competitive provider in the developing district heating market across the UK – which is encouraging others to consider our solution."

Ian Manson, the Chief Executive of Clyde Gateway, said: "Clyde Gateway has a commitment to delivering low carbon energy solutions that will benefit our local communities and businesses who are located here, so getting this innovative project under way is great news for the area. SHARC Energy Systems will use a significant waste water resource, located right in the heart of our regeneration area, to heat and cool buildings, which will have significant benefits in terms of energy and cost savings."

Paul Kerr, Head of Scottish Water Horizons, said: “By facilitating access to Scottish Water’s vast wastewater network, we are thrilled to be able to support the delivery of low-carbon heat to the Clyde Gateway site – Scotland’s largest regeneration project. With heat accounting for more than 50 per cent of Scotland’s total energy use, it has never been more important to explore low-carbon, sustainable solutions to support our economy and protect our environment. We are excited to be working with SHARC Energy Systems to capture the residual heat found in wastewater and explore future opportunities for this innovative technology across Scotland.”

For further information on Clyde Gateway please contact Lauren Mills at SHARC Energy at +44 07591 202 587.

About SHARC Energy Systems

Launched in June 2014, SHARC Energy Systems is registered in England & Wales specialising 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 Energy Systems is a wholly owned subsidiary of SHARC International Systems Inc.

The waste water technology system was developed by the founding team of technical and engineering professionals who have over 100 years combined experience in the heating, ventilating and geo-exchange industries.

SHARC Energy brought the technology to the UK for the first time and provides a full design, build finance and operate service. The SHARC™ system is suitable for both new build and retrofit projects on residential and commercial developments.

SHARC Energy, in partnership with Scottish Water Horizons, and the Borders College recently won two prestigious industry awards. 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.

SHARC Energy 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. A month earlier, 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.

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 organisations including the public and private sectors.

About Clyde Gateway

Clyde Gateway is Scotland’s biggest and most ambitious regeneration programme. It is a partnership between Glasgow City Council, South Lanarkshire Council and Scottish Enterprise, backed by funding and direct support from the Scottish Government.

It is tasked, over a 20-year period until 2028, to lead the way on achieving unparalleled social, economic and physical change across our communities over an area of 840 hectares in the east end of Glasgow and in Rutherglen.

About SHARC International Systems

SHARC International Systems Inc. is a world leader in thermal heat recovery. SHARC™ technology 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.

ON BEHALF OF THE BOARD

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