



News Release

For Immediate Release

May 2, 2018

HTC Pureenergy Inc. (dba “HTC Pureenergy”) announces financial results for fiscal year ending December 31, 2017

Regina, Saskatchewan - HTC Pureenergy (the “**Corporation**” and/or “**HTC**”) today announced its audited financial results for the fiscal year ending December 31, 2017 (“**Year**”).

HTC Pureenergy (HTC: TSX-V) and its subsidiaries has chosen to refocus its business units in the Environmental Technologies Sector. The acceptance of climate change and the social license that corporations are moving towards, are upon us in force. Carbon footprint and the capture and management of CO₂ has become effectively a currency of business, a vehicle for penalty and taxation, and a statement to shareholders who expect environmental responsibility from the companies they invest in. We note as well, that all segments of the energy sector must contribute and as such, the management of CO₂ from combustion-fired plants, can be used not only to reduce emissions, but also to improve oil production, through the use of enhanced oil recovery (“**EOR**”) techniques. **HTC** has focused its efforts in this area over the past few years, as EOR provides an immediate economic benefit to an oil company, in addition to being able to meet its social license responsibilities.

The natural gas industry has taken on a new challenge of gas cleanup of CO₂, SO₂ and other contaminants, while ensuring that the solvents and the glycols that are used in the clean-up process are recycled and reused, while at the same time providing a significant cost reduction to the customer.

HTC’s Delta Purification Division and **HTC’s** investment in Clear Glycol & Solvents Inc. are showing promising results, as the energy industry and many larger Industrial companies have joined the *re3* revolution: *reclaim, recycle, reuse*.

The tertiary oil production business requires a significant amount of water for production of steam and at the same time a significant capital cost to install traditional heavy oil production technologies. The Assist Energy Solutions Corp.’s “SCV” technology allows the use of brackish production water, that normally would have to be disposed of or treated, to be used as steam for energy production. The SCV technology also allows the heavy oil producer to bring existing non-producing wells back online, with a minimal investment in capital costs.

“Reclaim, Recycle, Reuse” is more than a tag line for our company, *WE ARE WORLD LEADERS* delivering technology in this solvent and glycol sector.

Financial Results

Selected financial information of **HTC** is summarized below. Financial results for **HTC** have been prepared in accordance with International Financial Reporting Standards.

	<u>Fiscal Year Ending December 31, 2017</u>	<u>Fiscal Year Ending December 31, 2016*</u>
Total Assets	\$27,222,061	\$29,839,303
Current Liabilities	\$1,584,236	\$3,142,192
Revenue	\$269,493	\$62,305
Expenses	\$4,609,385	\$3,954,411
Loss from commercial operations	\$(4,339,892)	\$(3,892,106)
Net Income (Loss)	\$2,372,965	\$3,773,662
Total Comprehensive Income (Loss)	\$2,122,557	\$4,001,407
Common Shares outstanding as of year end	30,309,195	30,309,195
Weighted Average Shares Outstanding - Basic	30,309,195	30,309,195
Weighted Average Shares Outstanding - Diluted	32,149,361	38,159,195
Profit (Loss) per Common Share (weighted average)	\$0.07	\$0.12
Fully Diluted Profit (Loss) per Common Share (weighted average)**	\$0.07	\$0.10

*December 31, 2016 amounts have been restated to the current basis presentation arising from the disposition of NuVision Industries Inc., 101059035 Saskatchewan Ltd. dba Pinnacle Industrial Services ("**Pinnacle**") and Clear Glycol & Solvents Inc. ("**ClearGSI**").

Total assets for the Period were \$27,222,061 compared to \$29,839,303 as at December 31, 2016. The primary reasons for the change is attributable to ClearGSI conversion from consolidation to equity accounting, and the substantial increase in property, plant and equipment associated with the development of grain and fertilizer handling facility projects.

Current liabilities were \$1,584,236 for the Year as compared to \$3,142,192 as at Dec. 31, 2016. Decrease of \$1,557,956 is largely due to the reduction in overall debt as a result of the disposition of Pinnacle and reduced ownership in ClearGSI requiring equity accounting in 2017. The decrease is also due to the making of regular repayments on the current portion of finance leases.

Revenues for the Year of \$269,493 reflect an increase of \$207,188 from Dec. 31, 2016, due to an increase in sales that came from **HTC's** subsidiary Maxx Group of Companies Corp. and its subsidiaries (together "**Maxx Group**") of \$102,570, \$66,923 comes from **HTC CO₂ Systems Corp.** (December 31, 2016 – \$30,859) and \$100,000 (December 31, 2016 - \$31,446) came from engineering and process design.

The Corporation had a commercial operating loss at December 31, 2017 of (\$4,339,892) as compared to (\$3,892,106) for the period ending December 31, 2016 for a net change of \$447,786. The change between December 31, 2017 and December 31, 2016 was due to an increase in financing costs arising on allocation to funds on receivables due over the next few years.

Costs of sales reflect manufacturing and sales costs associated with Maxx Group. The increase is a result of the costs associated with inventory sales. Engineering and process design services include costs associated with the provision of consulting services. There were \$100,000 costs in engineering projects during the Period, (2016 - \$31,446). These costs resulted from sales reported in quarter two. There is no three-month comparison for this period.

Amortization for the Period reported was \$370,793 (December 31, 2016 – \$368,124). Amortization in the periods are comparable with the slight increase in amortization relating to capital purchases. Amortization

relating to buildings have not begun as the grain and fertilizer handling projects are still in the development phase. Operations are expected to commence in 2018 subject to project completion, at which time amortization will commence.

Finance expenses realized during the Period was \$425,610 (December 31, 2016 - \$14,735). The increase is a result of computations of interest charges on amounts receivable over the next few years.

Deferred tax recovery of \$1,359,877 results in tax associated with the renegotiation of the terms of the sale of Nuvision resulting in recognition of the gains the year and eliminate contingent amounts.

Net Income for the Period was \$2,372,965 compared to income of \$3,773,662 as at December 31, 2016 (see table above). The decrease is primarily due to fewer gains on dispositions realized in 2017 versus 2016. Comprehensive income (loss) includes the unrealized gains and losses on investments classified as available for sale of \$(250,408) (December 31, 2016 – \$227,745) and represents the net change in the carrying value of the investments to the quoted value and transfer of impaired investments to the Consolidated Statement of Loss. These adjustments do not involve cash. Comprehensive Income for the Period is \$2,122,557 compared to income of \$4,001,407 as at December 31, 2016. The decrease is attributable to net income and the change in unrealized gain on investments classified as available for sale.

The information and opinions expressed herein involve known and unknown risks and uncertainties that may cause the Corporation's actual results or outcomes to be materially different from those anticipated and discussed herein. In assessing forward-looking statements contained herein, readers are urged to read carefully all cautionary statements contained in this news release, and in those other filings with the Corporations' Canadian regulatory authorities as found in 'www.sedar.com'. Although we believe that the expectations reflected in our forward-looking statement are reasonable, we cannot guarantee future results, levels of activity, performance or achievements or other future events. We are under no duty to update any of our forward-looking statements after the date of this news release, other than as required and governed by law.

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*HTC corporate developments can be followed on www.htcenergy.com and is traded under the symbol **HTC***