



EXPANDER ENERGY INC.
INNOVATIVE ENERGY SOLUTIONS

KITIMAT CLEAN TO LICENSE EXPANDER FTCRUDE[®] TECHNOLOGY FOR NEW BRITISH COLUMBIA REFINERY

Calgary, AB. (June 30, 2014)- Expander Energy is pleased to announce that Kitimat Clean has entered into an agreement with the Company to license its **FTCrude[®]** process for its proposed refinery in Kitimat, British Columbia.

Expander's **FTCrude[®]** is a commercially licensable technology that converts low value or waste carbon sources into high value hydrocarbons – **SynDiesel[®]**, **SynJet[®]** and **FTCrude[®]**.

The technology maximizes the retention and subsequent conversion of carbon into synthetic fuels, thereby minimizing carbon rejection. The **FTCrude[®]** process exceeds 90% in carbon efficiency by reducing GHG emissions (by over 50%) and eliminating the traditional production of petcoke. Through the integration of **FTCrude[®]** into the Kitimat Clean refinery, GHG emissions will be reduced by 5 million tonnes per year (equivalent to avoiding the emissions of 1.2 million cars), and nearly 5 million tonnes per year (100 train cars per day) of petcoke will be eliminated. Avoiding the petcoke byproduct is important because it contains high volumes of sulphur and heavy metals and would subsequently be burned in Asia.

“Kitimat Clean Ltd. is a private British Columbia company created to plan, construct and operate an oil refinery in Kitimat, BC. The refinery will feature state-of-the-art design, specifically for processing Alberta oil sands heavy crude oil, and engineered to be the cleanest upgrading and refining site in the world.

Kitimat Clean is building this oil refinery, an oil pipeline from Alberta to Kitimat, a natural gas pipeline, and a tanker fleet of 11 VLCC vessels. The total cost is estimated to be \$32 billion. The refinery will convert Alberta oilsands bitumen, which sinks in salt water laden with sediment and plankton, into gasoline, diesel and jet fuel which float and evaporate in the event of a spill at sea. The refinery will create an estimated 10,000 full time jobs and generate billions of dollars of new tax revenues for governments each year.” (Kitimat Clean news release dated June 16, 2014)

In making this announcement Expander Energy CEO James Ross stated, “We are thrilled to have been able to execute this landmark agreement with Kitimat Clean. By incorporating our

FTCrude[®] process into their refinery design, this combined state-of-the-art technology is specifically engineered to convert Alberta bitumen into refined products that will be the world's cleanest petroleum fuels, eliminating the stigma of "Dirty Oil".

We firmly believe our FTCrude[®] technology is critical in ensuring that Alberta bitumen will be refined to the highest standards before it is exported, and provides invaluable environmental and economic benefits for Alberta, British Columbia and Canada."

Kitimat Clean owner and founder David Black added, "The Expander FTCrude[®] technology is key to executing our plan and building a state of the art, green refinery. It is vital that we benefit from the GHG and CO² reductions and high quality finished product that it will provide. Capital costs will be higher but the benefits are enormous. We are extremely pleased to be able to make this announcement."

About Expander Energy

Expander Energy is a leading developer and licensor of processes to convert carbon sources into valuable synthetic fuels. Our engineered fuels, SynDiesel[®] and SynJet[®] are ultra-clean burning and complement existing transportation fuel infrastructure and current engine technologies. Our patented and patent pending technologies increase refinery yield, reduce GHG emissions, and are designed to convert carbon rich materials such as natural gas, biomass, bitumen residuals, petcoke and municipal solid waste. We strive to deliver an alternative, drop in fuel through patented technology to provide economic growth for Alberta and Canada while being environmentally conscious. Expander Energy Inc. is a privately held energy company located in Calgary, Alberta, Canada.

For More Information Contact:

EXPANDER ENERGY INC.

Suite 200, 1414-8th Street S.W.

Calgary, Alberta T2R 1J6

(403) 452-1641

j.ross@expanderenergy.com

<http://expanderenergy.com>



KITIMAT CLEAN LTD.

email: dblack@kitimatclean.ca

website: <http://kitimatclean.ca>