

Kista, March 27, 2017

The project in Mariposa receives investment grant of USD 5 million from California Energy Commission

The project in Mariposa, California, designed to generate electricity from a modular 6 MW WoodRoll received March 24 an investment grant of USD 5 million from California Energy Commission to demonstrate new high-efficiency small scale biomass power technology. The support is a major step towards establishing the first WoodRoll project on the North American market.

Cortus Energy in collaboration with a non-profit local group in Mariposa, California, "Mariposa Biomass Project" (MBP) are developing a project for small-scale biomass power. The project intends to gasify local forest products to 6 MW energy gas in a modular WoodRoll. The energy gas drives a gas engine which produces 2.4 MW of electricity. The thinning and harvesting from the forests in California has for a long time been on a too low level. This has caused severe forest fires and extensive tree mortality due to the bark beetle. With this as background, the state of California has introduced a strong support system for small-scale biomass power in form of feed-in tariffs and investment subsidies. \$ 10 million was allocated to demonstrate new high efficiency technologies in two different projects. The project in Mariposa was the project that received the highest evaluation score and received an investment grant of \$ 5 million. The grant is allocated to the project and is administered by Mariposa County Resource Conservation District.

MBP is now running the process to ensure all the necessary permits. The environmental permit is submitted shortly. Decision for all needed permits is expected to be completed during the second half of 2017. Cortus Energy intends to build and co-own the plant. Discussions with various potential local partners has begun. In addition to team up with local partners, the financing and long term feedstock supply must be secured as well as a satisfactory level and length of the feed-in tariff must be reached before starting implementation of the project. The conditions for an investment decision is expected to be in place during the first half of the 2018.

"The investment grant is very encouraging and confirms the leap that WoodRoll represents to gasify biomass in a highly efficient manner. The grant means that the conditions for a first WoodRoll projects in North America are good," says Rolf Ljunggren, CEO Cortus Energy.

For further information, please contact:

Rolf Ljunggren, CEO

Tel: +46 (0) 8 588 866 30

www.cortusenergy.com

About Cortus Energy

Cortus Energy develops and markets the unique WoodRoll technology which gasify biomass in a new innovative manner that results in a number of unique advantages over all other existing gasification technology. With the patented WoodRoll technology Cortus Energy offers green energy solutions for power, industrial and transportation applications. WoodRoll has great feedstock flexibility, which means that the process can utilize low-grade renewable feedstock without compromising the process performance. Cortus Energy's shares are traded on Nasdaq First North, Stockholm, Sweden. Mangold Fondkommission AB, tel +46 8-503015 50, is the Company's Certified Adviser