



News Release

July 13, 2016

## **Ensyn, Arbec and Rémabec Begin Construction of the Cote Nord Biocrude Production Facility in Quebec**

**PORT-CARTIER, QUEBEC** – David Boulard, Executive Vice President of Ensyn Corporation (Ensyn Corporation together with its affiliates, “Ensyn”), is pleased to announce that construction has been initiated on a 10.5 million gallon (approximately 40 million litre) per year biocrude production facility located in Port-Cartier, Quebec (the “Cote Nord Project”). The Cote Nord Project, being developed by Ensyn, Arbec Forest Products Inc. (“Arbec”), and Groupe Rémabec, is located adjacent to Arbec’s sawmill on the north shore of the St. Lawrence Seaway. Ensyn owns 50% of the equity of the project. The Cote Nord Project has been funded and construction is scheduled to be complete by the end of 2017. This is the first of several production plants being developed by Ensyn to expand the production of biocrude for energy applications.

Arbec is a leading, privately-held forest products company operating in Eastern Canada. Arbec owns twelve wood processing plants in Quebec and New Brunswick, ten of which are in partnership with Groupe Rémabec.

Groupe Rémabec is a major forest products company operating in Quebec, with a focus on timber harvesting and wood processing. Groupe Rémabec harvests more than three million cubic metres of lumber yearly and operates ten wood processing plants.

Utilizing Ensyn’s proprietary RTP® technology, the Cote Nord Project will convert approximately 65,000 dry metric tons per year of slash and other forest residues from local sources to biocrude. The biocrude will be sold to customers in the Northeastern U.S. and in Eastern Canada for heating purposes and as a renewable feedstock for petroleum refineries for the production of low carbon transportation fuels. The RTP conversion unit is being engineered and supplied by Envergent Technologies LLC, a joint venture between Ensyn and Honeywell UOP.

The Cote Nord Project is being financed by partner equity, funding from the Government of Canada (Sustainable Development Technology Canada and the Department of Natural Resources Canada) and Investissement Quebec, the leading Quebec Provincial financing corporation.

“We are proud to initiate our biocrude expansion plans with Arbec and Rémabec in Quebec,” said Mr. Boulard. “With an extensive forest industry and a strong culture of innovation, Quebec is an ideal location for our initial expansion facility.”

### Cote Nord Project – Purpose-built to Manufacture Renewable, Low Carbon Energy Products

The Cote Nord Project is the first RTP facility purpose-built for the production of biocrude used for heating, cooling and refinery applications. Ensyn’s RTP technology has been in commercial use for over 25 years, producing biocrude used for food ingredients, with by-product liquids being used for industrial

heating. In 2014, to support its expanding commercial sales to large institutional boilers, district heating systems and universities, Ensyn implemented capital improvements at its wholly-owned 3 million gallon (approximately 12 million litre) per year RTP facility in Renfrew, Ontario that enabled the continuous production of biocrude for energy applications.

### Environmental Benefits

The Cote Nord Project is expected to generate significant environmental benefits. Whether used for heating and cooling purposes or as a refinery feedstock, Ensyn's biocrude is a renewable product that reduces the use of conventional fossil fuels. The use of Ensyn's biocrude for energy purposes leads to a reduction in net carbon emissions and a reduction in greenhouse gas (GHG) on a total lifecycle basis totaling between approximately 70% and 90%, depending on the application.

Ensyn's biocrude is produced from non-edible woody biomass thereby avoiding competition for materials used in food or animal feed supplies. In addition, the manufacture of value-added products from forest slash allows for the development of enhanced pre-commercial thinning strategies, thereby reducing forest fire risks and improving the health of managed forests.

### About Ensyn

*Ensyn produces biocrude from forest and agricultural residues that is suitable for heating and cooling applications and as a feedstock for oil refineries for the production of low carbon transportation fuels. Ensyn and its predecessor companies have been applying its proprietary RTP® technology for more than 25 years for the production of food ingredients, chemicals and heating fuels. Ensyn is in the process of increasing production capacity to enable a broader commercialization of its energy business. Ensyn owns and operates a commercial production facility in Ontario, Canada from which it sells renewable heating fuels to industrial and commercial heating customers in the U.S. and Canada. Additional production capacity is under development in Canada, Brazil, and the U.S. Ensyn is executing its business plan in conjunction with key strategic relationships including Honeywell UOP, Fibria Celulose S.A., Arbec Forest Products, Chevron Technology Ventures and Roseburg Forest Products.*

For more information:

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