

FuelPositive Enters Final Phase of Assembling and Validating First Farm-Ready Demonstration System – Milestone Update: Hydrogen Purity Exceeds Expectations

TORONTO, Nov. 07, 2022 -- [FuelPositive Corporation \(TSX.V: NHHH\) \(OTCQB: NHHHF\)](#) (“FuelPositive” or the “Company”) is issuing the first in a series of updates, news releases and images to share its progress as it enters the final phase of assembling and validating its on-farm, containerized green ammonia production system. Its first full-scale demonstration system will be installed and commissioned on an 11,000-acre crop farm in Manitoba, to run as a pilot project through all types of operating conditions. The system will be used to produce green ammonia to be applied as fertilizer, and eventually as fuel for grain drying and internal combustion engines on the farm.

“As we move closer to the full system delivery of our first full-scale, farm-ready demonstration system, we are excited to share some of the key milestones, as we achieve them,” said Ian Clifford, FuelPositive CEO and Board Chair.

Each component of the system will be tested and commissioned individually before the full system is turned on. The system comprises a nitrogen generator to produce nitrogen from air, a water electrolyser to produce hydrogen from water, and a patent-pending ammonia synthesis converter to produce green ammonia from the hydrogen and nitrogen.

Gas Mass Spectrometer Commissioned and Certified

Calibrated to standards set by the National Institute of Standards and Technology (NIST), the Company’s gas mass spectrometer identifies the exact composition and purity of gases. It is being used to test the composition of the gases at every step of production, with a focus on the hydrogen, nitrogen and ammonia produced by the demonstration system. It accurately identifies and quantifies every gas present in the system, allowing the team to validate the production gases beyond three decimal points of accuracy.

“The commissioning and third-party certification of the gas mass spectrometer completed the build-out of our lab and allowed us to start validating the system’s capabilities. We have already begun the testing process with successful results so far. We are applying this sophisticated and essential piece of equipment to rigorous testing and validation of all the relevant components of the system,” said Nelson Leite, Chief Operating Officer, FuelPositive.

Electrolysers Tested and Commissioned

As FuelPositive considers and evaluates various methods and technologies to produce hydrogen for its systems, two electrolyser technologies are being utilized to make hydrogen in the initial demonstration system. Both electrolysers have now passed FAT (factory acceptance testing), with FAT purity testing of 99.999% pure. FuelPositive has confirmed the hydrogen purity utilizing its internal certified lab and Bureau Veritas has validated the testing performed by FuelPositive. Bureau Veritas is accredited to ISO/IEC 17025 for specific parameters on scopes of accreditation.

The planned green ammonia production rate the Company has set for the system is 300kg/day or 500 litres/day.

“The purity of the hydrogen directly corresponds to the conversion rate of the ammonia synthesis system and its ability to convert the gases to ammonia. Impure hydrogen would degrade the process over time, reducing the conversion rates and efficiencies. The electrolyser is the largest contributor to the system’s operating expenses (OpEx) and capital expenses (CapEx), representing over 80% of the system’s costs. Its efficient operation has the greatest impact to the performance of the overall system. Our team is dedicated to ensuring each system not only performs well initially, but performs well over each decade of the system’s life. Our goal is to be the best and to do that, we must perform over the entire life of the system,” said Leite.

Milestones to Come

The company will shortly be sequentially and independently validating its patent-pending ammonia synthesis converters. First, the separation rate will be validated, by FuelPositive and independently, then control parameters (pressure and temperature), followed by the conversion rate. Each will be individually reported. As well, the nitrogen system will be independently validated and commissioned at FuelPositive’s site, after having already passed FAT at the supplier’s site, and will be integrated into the system as a complete process. Before it can finally be declared “farm-ready”, the entire system will be turned on and validated – first by FuelPositive, and then by two independent expert organizations.

Supply Chain Challenges

“I should point out that supply chain delays continue to challenge our various suppliers. As a result, we now expect that the first system will be farm-ready by the end of December 2022. We have not experienced any technical delays. If we experience further delays, they will be communicated. We understand any delay is not ideal because the demand for our technology is critical and the interest significant. We are pleased to be only minimally slowed down by the global supply chain problems that have affected so many companies and people around the world. This is a tribute to the professionalism of our team. The completion of the system could have been pushed to next summer, but this team has the skills and experience to mitigate

extreme delays,” added Leite.

About FuelPositive

FuelPositive is a Canadian technology company committed to providing commercially viable and sustainable, “cradle to cradle”, clean technology solutions, including an on-site, containerized green ammonia (NH₃) production system that eliminates carbon emissions from the production of the green ammonia. By focusing on technologies that are clean, sustainable and economically advantageous/realizable, the Company aims to change the course of climate change through practical solutions that can be implemented in the short term.

The FuelPositive onsite, containerized green ammonia production system is designed to produce pure, anhydrous ammonia for multiple applications, including fertilizer for farming, fuel for grain drying and internal combustion engines, a practical alternative for fuel cells and a solution for grid storage. Green ammonia is also considered a key enabler of the hydrogen economy.

FuelPositive systems are designed to provide for green ammonia production on-site, where it's needed. This eliminates wildly fluctuating supply chains and offers end-users energy and supply security while cutting carbon emissions from the production process. The first customers will be farmers. Farmers use 80% of the traditional ammonia produced today as fertilizer.

The Company began accepting pre-sale inquiries in August 2022. See pre-sale details here: <https://fuelpositive.com/pre-sales/>.

Cautionary Statement

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) that are based on expectations, estimates and projections as of the date of this news release. The information in this release about future plans and objectives of the Company, including the expected expenditures of the proceeds of the private placement, are forward-looking statements.

These forward-looking statements are based on assumptions and estimates of management of the Company at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect.

Many of these uncertainties and contingencies can directly or indirectly affect and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law.

For Investor enquiries, please contact:

Ian Clifford
Chief Executive Officer and Board Chair
info@fuelpositive.com
www.fuelpositive.com

Investor Relations (United States)
RBMG – RB Milestone Group LLC
Trevor Brucato, Managing Director
fuelpositive@rbmilestone.com
www.rbmilestone.com

For Media enquiries, please contact:

Oliveah Numan
Sussex Strategy Group
519-770-2991
onuman@sussex-strategy.com

Photos accompanying this announcement are available at:

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FuelPositive Electrolyser



FuelPositive Electrolyser in FuelPositive yard waiting for another move in to facility for further integration.

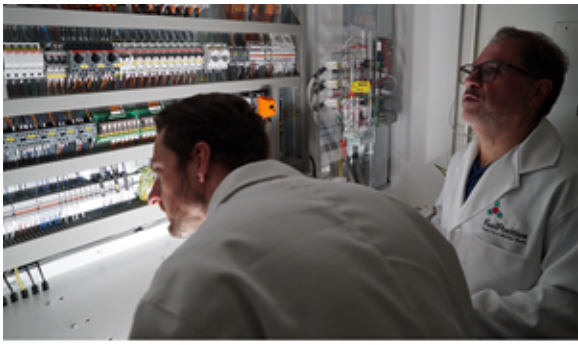
Climate Controls Panel



Climate Controls Panel in the Electrolyser unit.

Electrolyser Control Panel

Electrolyser Stacks

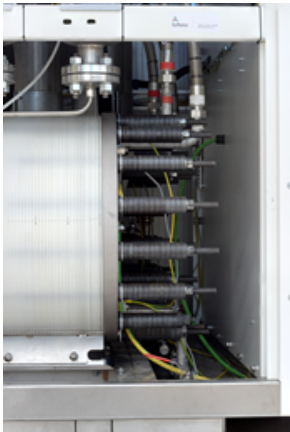


Reviewing the Electrolyser control panel.



Two Electrolyser stacks in the Electrolyser unit.

Electrolyser Stack



Mass Spectrometer



Observing the results from our mass spectrometer.

A close-up of an Electrolyser stack.