

XEBEC LAUNCHES ONSITE MEDICAL GAS GENERATION PRODUCT LINE

MONTREAL, (QC), January 12, 2016 - Xebec Adsorption Inc. (TSXV: XBC) (“Xebec”), a provider of gas purification and filtration solutions for the natural gas, field gas, biogas, helium, oxygen, nitrogen and hydrogen markets, announced today that it has launched a line of containerized onsite generation systems for medical oxygen, nitrogen (instrument air) and vacuum, as well as medical air, fully compliant with all Canadian and US regulations.

Xebec has historically offered onsite medical air purification, with over 100 systems installed in hospitals and clinics across Canada. Since the publication of the oxygen 93% monograph at European Pharmacopeia in 2011, healthcare facilities are now increasingly turning to onsite oxygen generation through pressure swing adsorption (PSA) technology, the cornerstone of all of Xebec's systems for over 50 years. So expansion into other medical gases is a natural progression for Xebec.

What makes onsite medical gas generation so appealing?

- **COSTS SAVINGS** – the healthcare facility now controls the cost and can deliver just the right quantity at the right quality, while eliminating transport costs, reducing their carbon footprint. For remote locations in small countries, field hospitals, Far North clinics, etc., eliminating the hefty cost for transporting liquid oxygen makes even more economic sense.
- **ENVIRONMENTAL CONCERNS** - Remote production at centralized liquefaction plants has environmental and safety concerns:
 - road transport hazards for products classified as dangerous in many developing countries
 - lack of proper infrastructure in developing countries or remote areas
 - storage issues of large quantities of liquid oxygen at extremely low temperatures

The economic and environmental appeal, along with reliability of supply and security of installation, are making onsite production of medical gases a well-established practice for healthcare facilities around the world. According to Medical Gas Generators for Hospitals, International Association of Manufacturers (MEDIGHAM), onsite generation is expected to capture a significant share of the global medical hospital oxygen market (worth about USD 2.5 billion per year), according to available sources and publications.

Xebec has also granted an aggregate of 1,500,000 stock options to three board directors and one officer. The options were granted at an exercise price of \$0.05 per common share for a period of 7 years

pursuant to its stock option plan and vest immediately. The grant is subject to acceptance by the TSX Venture Exchange.

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About Xebec Adsorption Inc.

Xebec Adsorption Inc. is a global provider of clean energy solutions to corporations and governments looking to reduce their carbon footprints. With more than 1,500 customers worldwide, Xebec designs, engineers and manufactures innovative products that transform raw gases into marketable sources of clean energy. Xebec's strategy is focused on establishing leadership positions in markets where demand for gas purification, natural gas dehydration, and filtration is growing. Headquartered in Montreal (QC), Xebec is a global company with two manufacturing facilities in Montreal and Shanghai, as well as a sales and distribution network in North America and Asia. Xebec trades on the TSX Venture Exchange under the symbol XBC. For additional information on the company and its products and services, please visit the Xebec web site at www.xebecinc.com.

Cautionary Statement

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Certain statements in this press release may constitute "forward-looking" statements within the meaning of applicable securities laws. This forward looking information includes, but is not limited to, the expectations and/or claims of management of Xebec with respect to information regarding the business, operations and financial condition of Xebec. Forward-looking information contained in this press release involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xebec or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This list is not exhaustive of the factors that may affect forward-looking information contained in this press release. When used in this press release, such statements use such words as "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "will" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements.

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