Xebec Acquires Colorado-based UECompression to Establish North America's Leading Renewable Natural Gas and Hydrogen Manufacturing Facility

Key Transaction Highlights

- Acquisition of Denver area based UECompression ("UEC") to expand North American production capacity five-fold for a total of 150 to 190 containerized BGX Biostream™ ("Biostream) and Hy.GEN® hydrogen units per year to meet accelerating U.S. demand for standardized renewable gas systems
- Further optimizes global manufacturing footprint by bringing Xebec's European gas generation products such as Hy.GEN to North America
- Biostream well positioned as a market leading RNG solution for an estimated 8,574 U.S. dairy, poultry, and swine farms identified for biogas production
- Expands Cleantech Service Network coverage to Montana, Wyoming, Colorado, North & South Dakota and Nebraska
- Adds highly skilled workforce with experience in designing and manufacturing air and gas processing systems with references in landfill gas, natural gas, biogas, hydrogen, and air compression
- UEC is expected to generate approximately USD $35.0 million (CAD $43.3 million) in unaudited revenues from its existing business in 2021
- Total consideration of USD $8 million (CAD $9.9 million) subject to certain holdbacks and adjustments

MONTREAL, (QC), November 3, 2021 – Xebec Adsorption Inc. (TSX: XBC) ("Xebec"), a global provider of clean energy solutions, is pleased to announce today that it has closed the acquisition of all the outstanding shares of Colorado-based UECompression ("UEC"). Founded in 1983, UEC is a premier designer and builder of custom air and gas compressor solutions for power generation, industrial and energy applications.

The acquisition of UEC provides Xebec with a cost-effective and timely pathway towards expanding production capacity five-fold for standardized renewable gas systems while supporting UEC's legacy business as the operation continues its energy transition. In addition, Xebec's global manufacturing footprint is further optimized by bringing European gas generation products such as Hy.GEN to the U.S. and focuses UEC's facility on containerized and skid-mounted renewable energy systems. Furthermore, the acquisition increases the Cleantech Service Network coverage by six states (Montana, Wyoming, Colorado, North & South Dakota and

Nebraska) to meet the increasing need for local service and support as the demand for standardized RNG and hydrogen systems accelerates.

Xebec expects that with limited changes to operations it can use UEC's excess capacity to produce approximately 150 to 190 containerized BGX Biostream™ ("Biostream") biogas upgrading and Hy.GEN hydrogen units per year in North America. The new capacity from UEC adds to recent capacity increases in Xebec's Canadian manufacturing facility.

"UEC helps Xebec solidify its position as a leading renewable gas player by adding a 100,000 sq. foot manufacturing facility in the U.S. With this acquisition, we are responding to the accelerating energy transition and the associated interest in containerized RNG and hydrogen systems. Furthermore, UEC's existing compression expertise in hydrogen will become increasingly relevant as the hydrogen economy develops. The acquisition will also help us in fully complying with current and evolving needs for local sourcing," said Kurt Sorschak, Chairman, President and CEO, Xebec Adsorption Inc.

The total consideration for the acquisition of the outstanding shares of UEC is of USD $8 million (CAD $9.9 million) and is subject to certain holdbacks and adjustments. On a standalone basis, UEC is expected to have unaudited revenues of approximately USD $35.0 million (CAD $43.3 million) for 2021. With the introduction of containerized renewable natural gas and hydrogen systems and leveraging the Cleantech Service Network to support UEC's and Xebec's installed equipment base, Xebec expects to see significant growth for this operation over the coming years.

Significant capacity increase to support the growing U.S. animal manure RNG market

According to the United States Department of Agriculture and National Pork Producers Council, there are approximately 92,000 active dairy and hog farms in the U.S. The American Biogas Council estimates that approximately 8,574 of these farms are primed for biogas and renewable natural gas production with more than 98 farms already producing RNG for the local transportation market.

Xebec is focused on serving animal manure-based projects because of their ability to reduce emissions from agriculture, support local communities and recycle nutrients. Biostream is well positioned as a market leading solution for animal livestock operations as showcased with orders from top U.S. dairy developers which include an initial 18-unit order from the Brightmark and Chevron RNG partnership.

Related links:
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About Xebec Adsorption Inc.

Xebec is a global provider of clean energy solutions for renewable and low carbon gases used in energy, mobility and industrial applications. The company specializes in deploying a portfolio of proprietary technologies for the distributed production of hydrogen, renewable natural gas, oxygen and nitrogen. By focusing on environmentally responsible gas generation, Xebec has helped thousands of customers around the world reduce their carbon footprints and operating costs. Headquartered in Québec, Canada, Xebec has a worldwide presence with seven manufacturing facilities, thirteen Cleantech Service Centers and five sales offices spanning over four continents. Xebec trades on the Toronto Stock Exchange under the symbol (TSX: XBC). For more information, xebecinc.com.

Cautionary Statement

This press release contains forward-looking statements within the meaning of applicable Canadian securities law. These statements relate to future events or future performance and reflect the expectation of Management regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation or its industry. Forward-looking statements typically contain words such as "believes", "expects", "anticipates", "continues", "could", "indicates", "plans", "will", "intends", "may", "projects", "schedules", "would" or similar expressions suggesting future outcomes or events, although not all forward-looking statements contain these identifying words. Examples of such statements include, but are not limited to, statements concerning: expected revenues of UEC for 2021; (ii) expansion of production capacity of 150 to 190 BGX Biostream™ units; and (iii) production of Hy.GEN units in the U.S.

These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties that may cause the Company's actual results, level of activity or performance to be materially different from any future results, levels of activity or performance expressed in or implied by these forward-looking statements. These risks include, generally, risks related to the ability of the Corporation to execute its strategy, operating results, purchasing third party supplies for key materials and components in a timely and cost effective basis, industry and products, technology, competition, ability to attract and retain qualified personnel, ability to manage successfully the anticipated expansion of our operations, the economy, the sufficiency of insurance and other factors which are discussed in greater details in the most recent quarterly management discussion ana analysis ("MD&A") and in the Annual Information Form of the Corporation filed on SEDAR at www.sedar.com.

Forward-looking statements contained herein are based on a number of assumptions believed by the Corporation to be reasonable as at the date of this press release, including, without limitations, assumptions about trends in certain market *segments, the economic climate generally, the pace and outcome of technological development, the identity and expected actions of competitors and customers, the value of the Canadian dollar and of foreign currency fluctuations, interest rates, the anticipated margins under new contracts awards, the state of the Corporation's current backlog, the regulatory environment, and the procurement of key material and components of products. If these assumptions prove to be inaccurate, the Corporation's actual results may differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements contained herein are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. Except to the extent required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein. Readers should not place undue reliance on forward looking statements.*

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