



BluSky Carbon Receives First Payment Under AR1 Project Financing Transaction

- Company acknowledges receipt of \$400,000 USD payment pursuant to previously announced asset purchase and O&M agreements

OLD SAYBROOK, CT / VANCOUVER, BC / ACCESSWIRE / December 24, 2025 / BluSky Carbon Inc. (CSE: BSKY) (FWB: QE4 / WKN: A401NM) ("BluSky" or the "Company") is pleased to announce that it has received the closing payment of US\$400,000 (the "**Closing Payment**") in connection with the Company's previously announced project financing transaction relating to its Arkansas biochar production facility ("**AR1**").

As disclosed on December 16, 2025, BluSky entered into an asset purchase agreement (the "**Asset Purchase Agreement**") and an operations, maintenance and asset management agreement (the "**O&M Agreement**", and together with the Asset Purchase Agreement, the "**Agreements**") with a project company, WARB1 LLC (the "**Project Company**"), formed by principals and advisors of Associated Energy Developers ("**AED**") and a private investor.

Transaction highlights (previously disclosed)

- The Project Company agreed to purchase the AR1 facility for US\$8,314,650.
- The Project Company was to pay BluSky a US\$400,000 closing payment within five days after closing, followed by a US\$400,000 commissioning payment payable within five days after the project is fully operational or by January 31, 2026, whichever occurs later.
- The remaining balance is to be seller-financed by BluSky, to be paid off minimally in 12 years at a 1.99% interest rate (subject to the terms of the Agreements).
- BluSky will remain the exclusive O&M provider for the project as part of the turn-key acquisition.

The Company confirms receipt of the Closing Payment of US\$400,000 that was contemplated under the Agreements. The Company expects to provide further updates as additional milestones under the Agreements are achieved, including the commissioning payment milestone described above.

About BluSky Carbon Inc. (CSE: BSKY) (FWB: QE4 / WKN: A401NM)

BluSky is a renewable energy company that converts organic and industrial waste into biochar, renewable power and carbonate rocks, as well as the development and sale of carbon capture technology.

ON BEHALF OF THE COMPANY

William ("Will") Hessert

Chief Executive Officer

BluSky Carbon Inc.

35 Research Parkway, Old Saybrook, CT, 06475

Tel: (860) 577-2080

Email: info@bluskycarbon.com

Sales or partner opportunities:

Greg Pakiela, Business Development

greg.pakiela@bluskycarbon.com

The CSE and Information Service Provider have not reviewed and do not accept responsibility for the accuracy or adequacy of this release.

Forward Looking Information Disclaimer

This release contains statements and information that, to the extent that they are not historical fact, may constitute “forward-looking information” within the meaning of applicable securities legislation based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of BluSky about the industry in which it operates. Forward-looking information may include financial and other projections, as well as statements regarding future plans, strategies, prospects, objectives or economic performance, or the assumption underlying any of the foregoing. In some cases, forward-looking statements can be identified by terms such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Examples of such statements include, but are not limited to: the market price of the Company’s common shares; volatility in the capital markets; lack of dividends; risks associated with foreign operations; risks associated with acquisitions; competition; cyber security threats; changes in laws relating to the Company’s business; expectations regarding revenue, expenses and operations; cash needs and needs for additional financing; the intention to grow the business and operations; reliance on secondary industries; future production costs and capacity; that available funds will be sufficient to cover expenses; and other forward-looking statements are set out in the section entitled “Caution Regarding Forward-Looking Statements” in the Company’s Final Prospectus dated May 27, 2024, as amended by Amended No. 1 dated June 11, 2024, (the “Amended Prospectus”) available on www.sedarplus.ca under the Company’s profile.

Forward-looking information is based on current expectations, assumptions, estimates, forecasts, projections, analysis and opinions of management made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking information contained in this news release include, but are not limited to: regulatory requirements being maintained; general business, economic and political conditions; the Company’s ability to successfully execute its plans and intentions; the availability of financing on reasonable terms; the Company’s ability to attract and retain skilled staff; market competition; the products and technology offered by competitors; that good relationships with service providers and other third parties will be established and maintained; continued growth of the carbon capture technology industry and positive public opinion with respect to the carbon capture technology industry.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation the Company’s limited operating history; negative cash flow; financial position and results of operations differing materially from expectations; the expectation of incurring future losses and never becoming profitable; requiring additional capital to continue operations; reliance on the third-party service providers; strong competition from competitors in the carbon capture technology industry; technological changes in relation to carbon capture that may adversely affect adoption of current technology or the Company’s products; supply and demand for the reduction of carbon emissions; and other risk factors

described in the Amended Prospectus. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information. The Company does not undertake any obligation to update any forward-looking information to reflect information or events after the date on which it is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws.