



BC Based Diacarbon Energy Inc.'s Pilot Torrefaction Project to be Supported by BC Bioenergy Network

Vancouver, BC – GLOBE 2014, March 27 – BC Bioenergy Network (“BCBN”), a provincially-funded leader supporting the growing bioenergy sector in British Columbia, announced its intention to fund \$1 million to Diacarbon Energy Inc. (“Diacarbon”) to demonstrate its Torrefaction Bioreactor Technology. Diacarbon will produce a renewable and sustainable biocoal derived from wood residuals that will displace coal used by Lafarge Canada’s cement operations in BC.

This funding by BCBN, complements \$1.1 million from Sustainable Development Technology Canada and \$7.0 million recently committed by private sector investors and other funders, resulting in a total project investment of \$9.0 million. The pilot deployment follows a consortium agreement reached with Lafarge Canada announced earlier this year.

The project involves the establishment of a fully automated torrefaction facility which will process wood residuals and demonstrate the production of biomass-based solid fuels to replace coal at cement plants or coal-fired utilities. The reduction in greenhouse gas (“GHG”) emissions and other pollutants as a result of fuel switching from this 25,000 tons per year plant is approximately 52,500 carbon dioxide equivalent tons per year, or 10,500 diesel or gasoline fossil fueled cars off the roads in BC. Torrefaction, the process of heating biomass materials at elevated temperatures in the absence of oxygen, results in transforming wood into a material possessing the energy value and processing characteristics of coal, with a significantly lower carbon footprint. This technology can achieve these benefits cost effectively. The new plant will demonstrate the commercial viability of the technology and product under competitive market conditions.

“Pursuing these sorts of innovative, clean energy solutions supports British Columbia’s position as a global leader in the clean tech sector,” said Environment Minister Mary Polak. “I congratulate Diacarbon in its commercial demonstration of this sustainable fuel.”

In a recent news release announcing the publication of a report titled, “Industrial and Market Development of Biochar in BC” published by the Pacific Institute for Climate Solutions, Michael Weedon, Executive Director of BC Bioenergy Network commented: “Over the past few years, the global biochar industry has been progressing towards commercial production facilities. BC has the natural hosting conditions for demonstrating new technologies. Time and again BC developers exhibit the innovative spirit necessary to develop clean energy technologies with environmental benefits.”

Michael Weedon also commented, “The time for commercial torrefaction production has arrived in BC. We are excited to be part of implementing an innovative technology that will create next generation renewable solid fuels in BC. These fuels are based on using wood residuals from existing forestry operations and will serve to strengthen the overall industry, create more jobs and utilize sustainable resources to replace high carbon emission fossil fuels.”

Jerry Ericsson, President of Diacarbon announced that this new technology follows several years of technology and product development in BC where a trial demonstration plant has been in operation. “Our shareholders have supported us and it is very gratifying to see our research and development lead to a commercial demonstration. We are proud to be building the first Canadian commercial biocoal facility in BC. This is an opportunity for BC to be a leader by showcasing clean technologies



that generate economic value, a forward thinking solution. This is just the first step in deploying torrefaction technology in BC.”

About BC Bioenergy Network - Established in April 2008 with a \$25 million grant from the BC government, BC Bioenergy Network is an industry-led association that acts as a catalyst for deploying near-term bioenergy technologies and organizing mission-driven research for the development and demonstration of sustainable world class bioenergy capability in BC. For more information about BCBN, visit www.bcbioenergy.ca.

About Diacarbon Energy Inc. – Diacarbon’s business is to develop, invest and operate torrefied solid fuels that are clean, efficient and economically viable sources of energy from waste residuals. For more information about Diacarbon, visit www.diacarbon.com.

For further information, contact:

Michael Weedon
Executive Director
BC Bioenergy Network
Tel: (604) 891-1257
Michael.Weedon@bcbioenergy.ca
www.bcbioenergy.ca

Jerry Ericsson
President
Diacarbon Energy Inc.
Tel: (604) 291-0001
jerry@diacarbon.com
www.diacarbon.com