

## **CIELO PROVIDES OPERATIONS UPDATE AND CONFERENCE CALL DETAILS**

**Vancouver, British Columbia, Canada / January 23, 2019 / Cielo Waste Solutions Corp. ("Cielo" or the "Company") (CSE:CMC)** would like to provide an operations update on the Company's Aldersyde renewable diesel refinery ("Refinery") as well as conference call details.

### **Operations Update**

The Refinery continues to operate under a two-step process, step 1 being the conversion of the biomass (waste/sawdust) into a distillate and step 2 being the conversion of the distillate into renewable naphtha, kerosene and high-grade diesel. To date, Cielo has produced approximately 50,000 litres of renewable fuels from the wood waste feedstock that is currently being held in tanks on-site. Currently, Cielo is planning to sell a portion of the fuels that contain the sulfur to some interested parties as well as to retain some product in inventory until it has been desulfurized, after which the products will be sold.

In its December 2018 operations update, Cielo disclosed its focus on the heater system and the desulfurization process as the main steps to completing the commissioning process.

### **Heater System**

In order to run the Refinery on a continuous flow basis, and not in a two-step process, Cielo needs to be able to generate and maintain more heat throughout the cracking towers and ancillary equipment, which Cielo originally planned would be achieved by purchasing and installing a second boiler and re-engineering the existing boiler. However, Cielo's internal engineering and design team analyzed and determined that it would be substantially more effective and efficient to move from a hot oil boiler to electric heat. Cielo's engineering team believes that electric heat has many advantages, some of which include much higher temperatures, less capex to purchase, ease of operations and precise temperature controls. The higher temperatures allow Cielo to substantially increase the biomass percentage, which will also increase production, hydrogen & renewable content, increase centane and greatly reduce the sulfur content.

In order to streamline and optimize the design changes, Cielo has reached out to three third-party engineering firms to review and provide insight on the design and viability of the Refinery using this new heating method. Cielo is awaiting feedback from two of the firms but has received positive feedback from the first of the firms to respond, which has suggested minor tweaks to the design, which are now being implemented. This firm has advised that it sees similar advantages of using electric heat over the hot oil boiler system, in line with Cielo's internal engineering team analysis. Cielo believes these changes, once implemented, have the potential to significantly increase its margins.

### **Desulfurization**

After conducting extensive due diligence, Cielo is confident it is ready to select the desulfurization technology and the supplier of the equipment that Cielo will be using going forward. In anticipation of the higher temperature and increased biomass content expected to occur with the new heater system, Cielo has provided a lab sample of renewable kerosene and diesel from their own bench scale model, that were refined utilizing the higher temperature and increased biomass content and has been sent to the technology supplier to conduct tests so that they can reconfigure and optimize their modular demonstration plant to work on Cielo's fuels. It is anticipated that the demo plant will be shipped from USA to the Refinery within the next three to four weeks, at which time it will immediately be integrated into the Refinery so that Cielo can remove the sulfur from its inventoried fuels. The supplier of the desulfurization equipment has confirmed that their equipment can be scaled-up easily.

## **General**

Although there have been several delays in placing the Refinery on continuous-flow production, Cielo's management believes strongly that the design changes that are being implemented will result in the technology being more scalable, which would accelerate its deployment on a larger scale. At this time, Cielo has pushed back its completion date of commercialization, so that the third party engineering firms and the desulfurization company have time to complete their work. Cielo understands the shareholders would like to have Cielo in full revenue sooner, but it is prudent that Cielo reduces the commissioning and start-up risks and make the necessary adjustments to the process now, as is the purpose of commissioning. As such, management now estimates that the electric heat and support equipment as well as the desulfurization equipment will be completed and operational by mid Q2/19. Cielo intends to provide regular operational updates in the meantime. The construction budget is expected to remain the same with the changes.

Don Allan, President and CEO, stated "Although there will be a slight further delay to getting our refinery up and running on a continuous-flow basis, the design change from the hot-oil boiler to electric heat is a major improvement that would increase quality, quantity and shareholder value. The change is simplistic from an operations point of view and will reduce maintenance costs. We are also very pleased with the feedback from the third-party engineers and feel that we have made a very good decision with respect to selecting the desulfurization supplier. We believe that Cielo will be very active over the next few months."

## **Conference Call**

In addition, Cielo has scheduled a conference call for discussion with shareholders on the above operations update.

Cielo will be hosting a Conference Call on Fri, January 25, 2019 from 11:00 AM to 11:30 AM MDT. Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/796774133>

You can also dial in using your phone

1-877-385-4099 and then dialing the following participant number: 7013581

For ongoing updates, please join:

**Join Cielo shareholders on 8020 Connect:** <http://bit.ly/Cielogroup>

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**About Cielo Waste Solutions Corp.**

**Cielo Waste Solutions Corp.** is a publicly traded company with its shares listed to trade on the Canadian Securities Exchange (“CSE”) under the symbol “CMC”. Cielo holds the exclusive license for the global rights to a transformational, patent-pending, technology engineered to convert garbage-derived feedstocks to high grade renewable diesel, at a significantly lower cost than biofuel companies. With landfills being one of the world’s leading contributors to Green House Gas emissions and being projected to double in size over the next 7 years, Cielo can potentially resolve this crisis, on a cost-effective basis, by converting multiple different garbage-derived feedstocks, including sorted municipal solid waste (garbage), wood and agriculture waste, tires, blue-box waste, all plastics and virtually any other cellulosic waste product into high grade renewable diesel.

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