

CIELO ENTERS INTO MOU TO BUILD REFINERY IN MEDICINE HAT, AB AND GRANTS OPTION FOR A FURTHER REFINERY IN BROOKS, AB

Vancouver, British Columbia, Canada / February 26, 2019 / CSE: CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") announces that Renewable U Energy Inc. ("Renewable U") has exercised its option to build a renewable diesel refinery in the City of Medicine Hat with Cielo and to that end has incorporated and funded a new company, Renewable U Medicine Hat Inc. ("R.U. Medicine Hat"), which has entered into a binding Memorandum of Understanding with Cielo ("Medicine Hat MOU"), pursuant to which the parties are working towards entering into a joint venture agreement ("JV Agreement") that will provide the framework to build and operate Cielo's third joint venture refinery that converts garbage to high grade renewable fuels (Project).

In consideration for the opportunity to enter into the JV Agreement with Cielo and undertake the Project, R.U. Medicine Hat has paid to Cielo a \$250,000.00 fee ("Fee") to secure the territory of Medicine Hat, AB and the surrounding area encompassing a 50 km radius. Cielo has received the Fee.

The general terms to be incorporated into the JV Agreement are substantially the same as those previously announced terms for the joint venture refineries to be located in Grande Prairie and Calgary, AB which include the following guidelines:

- a. R.U. Medicine Hat will be solely responsible for financing 100% of the costs associated with acquiring the land, building and commissioning ("Project Costs") of the initial joint venture refinery in Medicine Hat AB (JV Refinery).
- b. Cielo will manage the Project overall, overseeing the planning, construction, commissioning and operation of the JV Refinery and will receive a management fee for the construction of the JV Refinery equal to 7% of the Project Costs subject to certain exclusions, and will continue to receive management fees once operations begin based on industry standards.
- c. In the event that Cielo does not execute the definitive agreement for Medicine Hat, Alberta, subject to an exclusion, by May 31, 2019, Cielo has agreed, subject to applicable laws and policies, to issue R.U. Medicine Hat common shares of Cielo in lieu of returning the Fee, valued at the greater of \$0.25 per share and the average closing price of Cielo's shares during the 5 trading days prior to the Execution Date.
- d. Profits will be split 30% in favor of Cielo and 70% in favor of R.U. Medicine Hat, until R.U. Medicine Hat has received profits equaling 100% of the Project Costs plus the applicable management fees. Thereafter profits will be split on the basis of 50.1% in favour of Cielo and 49.9% in favor of R.U. Medicine Hat, reflecting the respective interests/ownership of the parties.

Cielo has also entered into an Option Agreement with Renewable U ("Brooks Option Agreement"), pursuant to which Cielo has granted to Renewable U an option to enter into another Memorandum of Understanding with Cielo to build a follow-on joint venture renewable diesel refinery in the City of Brooks AB, on substantially the same or similar terms to the contemplated joint venture refineries in Grande Prairie, Calgary and Medicine Hat ("Brooks MOU"). Pursuant to the terms of the Brooks Option Agreement, Renewable U has also advanced to Cielo a refundable deposit of \$50,000.

Renewable U will be required to complete its due diligence prior to the close of business March 29, 2019. In the event that Renewable U elects to exercise its option and proceed with the Brooks MOU, it will pay Cielo the balance of the contemplated \$250,000 joint venture fee anticipated to be required pursuant to the terms of the Brooks MOU for Brooks, AB.

Lionel Robins, CEO of Renewable U, stated “Having completed our due diligence with respect to choosing Medicine Hat as the location for our next joint venture refinery with Cielo, we are pleased to be able to confirm that we have incorporated Renewable U Medicine Hat Inc. and advanced the \$250,000 JV Fee to Cielo. Entering into the Brooks Option Agreement was predicated on our favourable review of the progress that Cielo is making on commissioning their flagship renewable fuel refinery at Aldersyde and the reception that we have received from both the City of Medicine Hat and Invest Medicine Hat. Having two and potentially three joint venture refineries on the go with Cielo in Alberta will enable us to leverage our collective strengths to serve customers better with unparalleled logistical access by rail and truck to the biggest renewable fuel markets in Canada, the United States and beyond. It is our intention to concurrently have Cielo apply for the permits and order equipment for the multiple refineries thereby lowering our overall costs. We are assembling a very strong group of experienced individuals that can pull from each other to reduce start-up risks and change the waste to renewable fuels marketplace, firstly in Alberta.”

Don Allan, CEO of Cielo, stated “We believe that this second joint venture with the Renewable U group provides Cielo with an opportunity to significantly expand and diversify our waste feedstocks with a high-quality partner. We also believe that Medicine Hat is a large-scale opportunity that is well positioned to supply renewable diesel for compliance with the Federal and Provincial Renewable Fuel Standards into the Canadian and U.S. marketplaces. Commissioning of our Aldersyde Renewable Fuel Refinery is continuing. In the coming days, an additional 14 trades people are scheduled to be on site installing the equipment that we have ordered over the past 60 days that will allow us to run our first commercial refinery in Aldersyde, AB on a continuous flow basis. Upon achieving continuous flow we will be in a position to accelerate our plans to build JV refineries in Grande Prairie, Calgary and Medicine Hat Alberta.”

Jon Sookocheff, Director of Business Development at Invest Medicine Hat, The City of Medicine Hat’s investment attraction contractor, commented, “We are pleased to be working with Cielo and their joint venture partner, Renewable U Medicine Hat, to advance having them bring a renewable fuel green refinery to Medicine Hat. Being able to attract Renewable U and Cielo to our city is a further testament to how companies view Medicine Hat as a favourable place to locate and do business. During construction of Cielo’s JV refinery management is projecting that there will be upwards of 50 full time jobs created. The opportunity Cielo brings to Medicine Hat will continue to diversify our local economy while making the city a major player in advancing green initiatives and reducing our carbon footprint. We are excited about assisting Cielo and Renewable U in advancing their green initiative.”

Join Cielo shareholders on 8020 Connect: <http://connects.digital/cielo1>

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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.

Cautionary Note Regarding Forward-looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “achieve”, “could”, “believe”, “plan”, “intend”, “objective”, “continuous”, “ongoing”, “estimate”, “outlook”, “expect”, “may”, “will”, “project”, “should” or similar words, including negatives thereof, suggesting future outcomes.

Forward looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Cielo is making forward looking statements related to the entry and negotiation of terms of the JV Agreement as well as the Brooks Option Agreement and the ability of the parties to those agreements to fulfil their obligations. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company’s actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.