



BITCRUDE™ ENERGY'S SUCCESS OF COMMERCIAL-SCALE, DILUENT-FREE, NON-TOXIC HEAVY OIL SHIPPING PROCESS REVOLUTIONIZES ACCESS TO OFFSHORE MARKETS

With the proven capability of its commercial Diluent Recovery Unit to eliminate diluent from the more traditional pipeline process for Canadian oilsands and other Western Canadian Heavy Oil, BitCrude™ launches multi-prong business partnerships to expand commercial production capability.

For Immediate Release

Calgary, Alberta, January 11, 2021 – Calgary-based BitCrude™ Energy announced the successful completion of its commercial production demonstration that confirms breakthrough technology to deliver a cost-effective, ecologically enhanced, and safe bitumen transportation process, supplementing Canada's traditional pipeline networks.

“This innovative Diluent Recovery process --- developed over years of research, testing and demonstrations --- separates diluent that has been traditionally used to blend with the molasses-like heavy oil which has enabled it to be transported through Canada's network of pipelines. After we remove this diluent, the bitumen can be poured into modified rail containers where it cools down and becomes a semi-solid,” explained Cal Broder, Founder and Chairman of BitCrude Energy. The diluent separated from the bitumen can then be recycled back to the oilsands companies.

BitCrude's™ latest demonstration project was the next critical step in proving the effectiveness of the complete BitCrude™ Transportation Process. In September 2019, the company successfully shipped in one modified container, the equivalent of 150 barrels of 7.6 API bitumen from an oilsands operator to Asia.

The modified intermodal container vessel, similar in design and security to existing units used for dry goods, is transported on flatbed rail cars from Alberta to ocean tankers for international markets. Unit trains consisting of 100 – 160 flatbed cars can transport between 52,500 and 84,000 barrels. Trans-oceanic container ships can transport between 500 to 15,000 containers, which would be the equivalent of 87,500 to 2 million barrels of bitumen.

“The Government of Alberta has been monitoring BitCrude's progress on its innovative bitumen transportation process, which will enhance market access opportunities for Alberta. We applaud this expression of Alberta's entrepreneurial spirit and look forward to continued success as the BitCrude team moves into further commercial development of their product,” said Alberta Energy Minister Sonya Savage.

BitCrude's™ recent successful offloading demonstration is the latest in a series of environmental, economic and logistical evaluations that combine to conclusively prove the BitCrude™



Transportation Process enables producers to sell Canadian bitumen to global markets garnering a global price for their product, which is currently selling at a discount.

“The Environmental benefit of this process isn’t just related to the removal of diluent that must be used in existing pipeline transportation; we have conducted studies to evaluate possible deleterious effects on fauna and flora, as well as aquatic life, in the highly unlikely event one of its sealed containers falls off a flatbed railcar, or ocean tanker. The BitCrude™ product is safe to transport in 20-foot custom shipping containers on standard rail and vessel infrastructure both domestically and internationally. The semi-solid bitumen is designated as a non-hazardous good for transportation purposes. It floats in both fresh and saltwater in custom designed shipping containers and is non-toxic to marine life. The product meets or exceeds all regulatory requirements, ensuring safe and efficient export,” explained BitCrude Director Andy Popko. Adding, “that by exporting Alberta’s Heavy Oil to Asia, BitCrude™ will lower the refining GHG on a barrel of bitumen, by over 50% compared to refining in North America.”

“We are now working with Indigenous communities in British Columbia, Alberta and Saskatchewan to secure joint ownership or participation agreements around the transportation component of the process. The safe and efficient BitCrude™ Transportation Process has proven to be in alignment with the values of many Indigenous communities looking for a viable alternative to major pipeline projects,” said Mr. Popko.

BitCrude’s substantial positive economic impact on Canadian oil producers will be two fold. Firstly, it will provide the opportunity to receive fair market value for their product and secondly, it will provide the welcome creation of much-needed employment in the manufacturing industry.

“In addition to sparking interest from Canadian bitumen oil producers, we are negotiating international supply agreements with refineries in four countries eager to purchase Canadian product, including one that has already provided a preliminary letter of interest for up to 120,000 barrels per day,” added Mr. Popko. “

-30-

About BitCrude™

The BitCrude™ Transportation Process is the result of over a decade of research, testing and demonstration. Founded by Cal Broder, BitCrude™ has developed a process that creates semi-solid bitumen, using a diluent recovery unit process, and the design of dedicated intermodal transportation units that eliminates the need for traditional pipeline systems. BitCrude™ is unique because of its scalable, adaptable, modular design. For more information visit www.bitcrude.ca.

Media Contact:

Peter Pilarski, Vice-President, CIPR Communications

E: peter@ciprcommunications.com

M: 403-462-1160