ClearSign Announces Updated and Expanded Memorandum of Understanding (MOU) with Chinese Heating District Agreement Covers Watertube and Firetube Boilers

SEATTLE, June 5, 2019 /<u>PRNewswire</u>/ -- ClearSign Combustion Corporation (Nasdaq: CLIR) ("ClearSign" or the "Company"), an emerging leader in industrial combustion technologies that improve energy and operational efficiencies while dramatically reducing emissions, today announced that the Company has signed a new, updated and expanded Memorandum of Understanding (MOU) with a heating district in Beijing, China.

This MOU supplements the previously announced agreement from May of 2017, and expands the scope of the collaborative project. This project, with one of China's largest providers of residential and commercial heating services, is to run pilot tests with the goal of demonstrating ClearSign's combustion technology as a candidate to achieve ultra-low emissions levels in both firetube and watertube boilers.

Under the terms of the MOU, the heating district agrees to work with ClearSign to both install and to demonstrate ClearSign's innovative technology in its boilers. The parties are focusing on specific classes of boilers for testing and demonstration of ClearSign's boiler burner technology. The project is a joint collaboration, with ClearSign responsible for the design and fabrication of the combustion technology and overseeing the installation. Upon successful completion of the pilot demonstrations with results meeting agreed upon specifications, the parties have agreed to negotiate a subsequent definitive agreement to retro-fit multiple boilers within the district's operational footprint and to discuss other forms of cooperation.

"I recently returned from a trip to China where, along with Manny Menendez, the president of our subsidiary, ClearSign Asia Ltd., we met with partners and prospects in the region," said Jim Deller Ph.D., Chief Executive Officer of ClearSign. "Based on my experience and the interactions that we had, I continue to believe that this market is an incredible opportunity for our technology. It was evident to me during the course of our meetings with the heating district management, that they are enthusiastic about the prospects of utilizing ClearSign technology to aid with their clean air goals. While the district has installed a number of catalytic systems and flue gas recirculation systems to reduce NOx emissions, line engineers I spoke with are anxious for a solution that eliminates the need for these operationally expensive and complex systems, and they are encouraged by the technology we have demonstrated and look forward to continuing the process of mutual cooperation to efficiently obtain the necessary lower target emission levels."

"When we signed the initial MOU back in 2017, we had not yet developed a system that would achieve the needed NOx reduction performance in a fire-tube boiler. Now that we have such an offering, and given that there are about four times the number of fire-tube boilers as compared to water-tube boilers in the heating district, it is even more encouraging to not only renew the MOU but expand it to include our fire-tube capabilities," continued Dr. Deller.

About ClearSign Combustion Corporation

ClearSign Combustion Corporation designs and develops products and technologies for the purpose of improving key performance characteristics of combustion systems, including emissions and operational performance, energy efficiency and overall cost-effectiveness. Our patented Duplex[™], Duplex Plug & Play® and Electrodynamic Combustion Control[™] platform technologies enhance the performance of combustion systems in a broad range of markets, including the energy (upstream oil production and down-stream refining), commercial/industrial boiler, chemical, petrochemical, and power industries. For more information, please visit www.clearsign.com.

Cautionary note on forward-looking statements

All statements in this press release that are not based on historical fact are "forward-looking statements." You can find many (but not all) of these statements by looking for words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "would," "should," "could," "may," "will" or other similar expressions. While management has based any forward-looking statements included in this press release on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of our control, which could cause actual results to materially differ from such statements. Such risks, uncertainties and other factors include, but are not limited to, general business and economic conditions, the performance of management and our employees, our ability to obtain financing, competition, whether our technology will be accepted and other factors identified in our Annual Report on Form 10-K filed with the Securities and Exchange Commission and available at <u>www.sec.gov</u> and other factors that are to be detailed in our periodic and current reports available

for review at <u>www.sec.gov</u>. Furthermore, we operate in a competitive environment where new and unanticipated risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aware.

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