Cielo Signs Letter of Intent for Offtake Agreement, Provides Operational Update and Announces Office Move

written by Raj Shah | September 2, 2021

September 2, 2021 (Source) – Cielo Waste Solutions (TSXV:CMC)(OTCQB:CWSFF)(WKN:C36) ("Cielo" or the "Company") is pleased to announce:

Letter of Intent with Kodiak Chemical Solutions

Cielo has signed a non-binding Letter of Intent ("LOI") with Kodiak Chemical Solutions ("Kodiak"). Kodiak is a Western Canadian based company interested in the purchase of Waste Derived Naphtha ("WDN") for uses including but not limited to paraffin solvents, diluents, cleaning fluids, paint and ashphalt diluents and any other uses in their discretion. Kodiak wishes to purchase, from Cielo, WDN from all of Cielo's Alberta production facilities. The material terms of the LOI are to be mutually agreed upon and set out in a definitive agreement, anticipated to occur prior to the end of 2021. This LOI does not conflict with a previously announced and existing memorandum of understanding with Elbow River Marketing, which is an offtake agreement for diesel fuels.

Lionel Robins, SVP Global Development & Indigenous Relations for Cielo, stated: "We believe the demand for naphtha in the current market is growing and seeing this demand further increases Cielo's growth opportunity, as we can profitably produce more types of fuel. We now see the opportunity to have a WDN fuel that could demand a premium over its fossil-based counterparts.

The price discussed with Kodiak will move with the weekly market price, and we expect that to generate a profitable revenue stream with good margins."

Brian Venance, President of Kodiak Chemical Solutions, stated: "As the demand for energy continues to ramp up, Kodiak continues to look for and source sustainable alternatives where possible. Cielo's WDN fuel is an alternative many of our customers are wanting and willing to pay for in the growing demand for sustainability and climate change."

Operational Update

As to its operational update, and as previously announced, Cielo has hired 3 engineering companies to look for any improvements that can be made to the Aldersyde facility. Cielo has these engineers focused on the main pieces of the process, which include the reactor design and waste recovery to obtain optimized and enhanced performance.

Reactor Enhancements – Optimization of distillate production and achieving a steady-state production profile are priorities. Reactor modifications are anticipated to result in improved distillate production and carrier fluid efficiencies.

Waste Recovery – Cielo is working on modifications, including the implementation of a centrifuge system to the waste recovery process.

Desulfurization – The catalyst, intended for use in Cielo's desulphurization process, designed by the University of Calgary, and produced in China, was not complete when it arrived to the Aldersyde, Alberta facility. The catalyst required further work and was sent to Texas, USA for catalyst activation and stabalization. Commisioning of the desulphurization process equipment is expected to be completed by the end of September,

2021.

New Corporate Office

Cielo is in the process of executing a commercial lease for corporate office space in downtown Calgary, Alberta. The lease is expected to be finalized in September 2021.

Don Allan, President and CEO of Cielo, commented: “We are delighted to have signed this LOI with Kodiak and look forward to working with them to build out our WDN business. I would also like to thank Kodiak Chemical Solutions and Brian Venance for their commitment and interest in our Waste Derived Naphtha.” Mr. Allan continued: “The process improvements our engineers are working on are creating better optimization of our process facility which is beneficial prior to building multi million dollar facilities. We believe this is the right thing to do for our shareholders, investors, and financial lenders.” Additionally, Mr. Allan stated: ” The move to downtown Calgary from Red Deer will allow Cielo to expand and attract additional talent required for the anticipated growth of the Company. The inducements offered were quite competitive and Cielo is delighted to have the opportunity to support the recovery and transformation of downtown Calgary.”

On behalf of the Board of Directors

“*Don Allan*”
Don Allan, President / CEO / Director

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About Cielo Waste Solutions Corp.

Cielo is a publicly traded company with a proprietary technology that transforms certain types of landfill garbage into high-grade diesel, kerosene (aviation jet and marine fuel) and naphtha. Cielo's proven and patented technology is currently being deployed in the Company's Aldersyde, Alberta facility, where wood waste is currently being converted into renewable fuels. Cielo's experienced management team is well positioned with strategic partners in place to expand aggressively across Canada, into the US and then globally. The waste/feedstock that will be used in the Company's green facilities is the world's widely available and inexpensive feedstock, including household, commercial, construction garbage, used tires, railway ties, telephone poles, as well as all types of plastic, some of which currently cannot be recycled or deposited into landfills. **Cielo's goal is to manufacture waste to fuel while ridding the world of unwanted and problematic garbage.**

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 including but not limited to matters related to the signing of an LOI with Kodiak Chemicals, such as the entry into a definitive agreement and the purchase by Kodiak of WDN at future times, the operational update including the timing of the completion of desulfurization system commissioning and commercialization generally, and the signing of a commercial lease for premises in Calgary, Alberta. 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 TSXV, OTCQB and, WKN, have not reviewed and do not accept responsibility for the adequacy or accuracy of the content of this News Release.

SOURCE: Cielo Waste Solutions Corp.