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PRESS RELEASE

August 27, 2019

Sharc Energy Provides Corporate Update From the President & CEO

VANCOUVER, BRITISH COLUMBIA, Canada -- Sharc International Systems Inc. (CSE: SHRC) (FSE: IWIA) (OTCQB: INTWF) ("SHARC" or "the Company") brings you a message from the Company's President and CEO, Lynn Mueller, to provide a corporate update as SHARC enters the second half of 2019. I want to speak to shareholders about the Company's internal plans and programs that are being instituted to increase our own sales efficiencies. In short, controlling as much as possible and reducing the time to close on business is of the highest priority to the SHARC team.

As a public company, I am responsible to drive the business forward to the benefit of our shareholders and providing a return on their investment. Any young company that is dynamic and growing reaches a junction, and that's certainly where we are with SHARC today. We know, as do many others, that our wastewater heat recovery is ground-breaking, very economically beneficial and just makes good environmental sense. In the end however, driving sales is everything and it's the only way that we can collectively realize on the dream that has been the catalyst behind tremendous shareholder support for many years.

Business Unit Spinout

I have come to understand with the revised focus and the capacity of the business to work effectively is now more apparent, I have decided that we need to rationalise operations and focus on a service offering that is simpler and more efficient to operate as we move forward.

Subsequently we have decided with the consent of the Board, that the business will best serve shareholders and customers by focusing as a green energy innovation developer and original equipment manufacturer (OEM). Under this model we will provide operating license to international partners who are able to demonstrate an ability to sell and operate our technology effectively in their local market.

For this reason, we have decided that the Company's UK subsidiary SHARC Energy Systems ("**SHARC Energy**") would better serve its local markets as a standalone business marketing and developing SHARC™ & PIRANHA™ installations across the United Kingdom and the European Union.

As you know the UK business operates as an energy service company (ESCO) style model using the technology to develop low carbon heating systems that are paid for from the heat sales and energy savings generated from the installations. Whereas this model provides a long-term residual income for the business, it is also very capital intensive on the front end.

We have decided that our new focus on OEM arrangements is not conducive to the needs of the Company with the UK ESCO model, and consequently we have decided to spin out the operation so it can raise its own capital and grow the business to meet the demand they are currently experiencing. The UK business are in advanced discussions with several potential partners to invest into the business and we expect to make further announcements shortly.

I would like to add that this decision was a tough one to make as the UK team have helped the group to recognise and develop the technical and commercial opportunities for the technology and we have every expectation that this team will flourish and become a significant contributor as a customer of SHARC's technology and services.

As a reminder to shareholders, SHARC has an extremely solid relationship with the Scottish Government and Scottish Water Horizons. Scotland will be home to projects that have long-term residual benefit to the Company and will produce recurring revenues over twenty-year time frames.

Refining Sales Cycle

The sales cycle for the business is extended and being a pioneering infrastructure technology, the education and sales development cycle can exceed two years of activity. The Company will focus on markets that align its sales and environmental goals with jurisdictions that currently provide optimal support and incentives for the adoption of clean technologies.

Recognising that projects require an extended sales cycle period, it is also worth noting that many projects carry a wide stakeholder involvement including regional governments, third party technical and commercial advisers, as well as contractors and developers. In most situations we are involved at the very earliest stage of a project and support the stakeholder engagement process under NDA's that restrict our ability to discuss openly the progress and expectations.

This sales process requires significant resources to bring to realization, (e.g. Clyde Gateway project started preliminary discussions in 2015 and didn't come to financial close until 2018), and whilst this is an important flagship opportunity for the technology and the future business proposition, the scale of company resource invested into bringing this project to revenue recognition was significant.

This is an experience that plays out on all the continents we are working on, with many projects absorbing significant time and effort to bring to completion and it is to the testament of the team in the Canada, the UK and Australia that the business has been able to bring SHARC™ to market as successfully as they have.

As I have discussed above, much has been learned about the sales cycle and it was only since late 2018 after eight years of research and development, the Company pivoted into full economic commercialization. Through the new OEM business model combined with growing government green incentives as well as our ability to remove or reduce equipment financing impediments, we do expect to see our close rates increase at a greater pace.

While refining the sales cycle the Company has had its challenges related to moving into full economic commercialization. Until early 2019, the Company did not have suitable vendor financing arrangements available for customers. This added a layer of complexity as customers would need to secure financing on their own.

As previously announced, the Company has an agreement with Partners Capital Inc. which will provide financing solutions for SHARC customers for the U.S. and Canadian markets. Importantly, this vendor financing agreement removes or reduces a major hurdle for potential customers and is seen as an important step to accelerating the “time to close” system sales.

New Business Model

The experience we have gained in developing projects, now appraises how we approach each new business enquiry in the future and is a key factor in our decision to focus on the OEM services, allowing the local teams to develop the projects under licence.

I can say share that we are at a very advanced stage of being qualified as a vendor on several district heating systems in the UK, New Zealand, Australia, United States, and Canada all of which will carry the SHARC™ technology systems as the key central heating and cooling service.

As indicated, these projects are consuming a significant Company resources to bring to close and once we are released to openly discuss we will provide Shareholders with the details and information.

SHARC Pipeline

The Company’s project pipeline is significant based on 87 projects in various stages of development and across Canada, US, UK, Australia and China .

We are waiting for project approvals we are specified into to be accepted in a tender and or proposal process. The Company will recognize revenue upon sale and installation of the units. The Company will also receive additional revenue streams as we continue to provide operations, maintenance and or heat supply agreements to customers upon commissioning.

Please note that we are not making a specific forecast for any period of time, but our opportunities are tangible.

Network Partners

As we move forward and focus on developing our network of partners across the globe, it will begin to produce results alongside the effort of the SHARC team in training our network partners knowledge of our products. The shifting governments focus to adopt renewable

solutions and pursue electrification of heating systems, is generating wider enquires for the PIRANHA™ and SHARC™ technology systems and we expect this to translate into confirmed sales as our network partners become increasingly self reliant in the product knowledge and ability to market to the end customers with confidence.

Government Green Policy

As the new incentives and policy changes come into effect this year around the world, the Company is working with potential customers to educate them on the financial advantages available to them. In short, if our team can reduce or eliminate this decision barrier, we can expedite the time to close. In addition, to mitigate the long lead sales time of large district heating system sales, the Company is working to increase market share with its Piranha unit, as it is an ideal candidate to benefit from the change in government policies.

In Canada, The provincial government of British Columbia has committed to [reduce greenhouse gas emissions to 80% below 2007 levels by 2050](#). The government provides incentives available through Efficiency BC, Fortis BC and BC Hydro. City of Vancouver is implementing the BC Energy Step Code to incentivize developers to meet more stringent levels of energy-efficiency.

The above incentives in conjunction with financing from Partners Capital Inc. create ideal scenario to acquire customers. With the Efficiency BC Incentive program providing grant funding for retrofits and new build projects and along with financing, it has provided an environment that should take care of the concern of upfront financial outlay to acquire a SHARC™ system.

In the United Kingdom, the government claimed a climate emergency and reaffirmed its commitment to reducing green house gas emissions by setting the goal of reducing greenhouse gas emissions to net zero by 2050. The Climate Change Act 2008 is the basis for the UK's approach to tackling and responding to climate change. The original goal was to reduce UK carbon emissions to at least 80% lower than the 1990 baseline. The UK environmental policy and incentive structure is much more mature and the SHARC™ technology systems have greater market acceptance and awareness in comparison to Canada and other jurisdictions.

Conclusion

To sum up, the technology has been proven to work extremely reliable on commercial and residential applications. SHARC is continuously investing labour and financial resources on educating potential customers, distributors, employees, investors, municipal and government officials on the environmental and financial benefits gained through deployment of SHARC products.

This continuous investment will be an important driver and catalyst for market acceptance and market realization of our environmentally superior products for low-cost water heating and space heating and cooling.

We have tightened the sales process, increased the educational component for potential customers and government, addressed customer financing barriers and based on projects

completed to date, proven beyond a doubt the multiple benefits of the SHARC™ technology systems.

I ask that shareholders review our corporate presentation on our website as a refresher of what the company has accomplished and is accomplishing in the marketplace with our technology. Some of the highlights include our large footprint in Scotland, the False Creek District Heating Network in Vancouver, and the ground-breaking success with the SHARC™ technology systems meeting most heating and cooling needs of the showcase DC Water building in Washington, D.C.

As SHARC enters the second half of 2019, we promise to work hard to create value, grow the company and make this next stage a positive step for SHARC. While our constant desire to improve will change some of the things we do as a public company, I am responsible for driving our business forward to the benefit of all our shareholders and providing our shareholders with a return on their investment.

We appreciate engaged shareholders and encourage you to call our Investor Relations Team (604) 475-7710, ext. 113 with any questions or comments about the Company. If you wish to receive news releases and investor updates straight to your inbox, [please click here to sign up](#).

Sincerely,

Lynn Mueller

Lynn Mueller
Chairman and CEO

Non-Brokered Private Placement

The Company announced on [August 26, 2019](#) a Non-Brokered Private Placement (the "**Private Placement**") that will be issued in connection with the creation and issue of an aggregate of 25,000,000 Units ("Units") to be sold by the Corporation by private placement (the "**Offering**").

Each Unit at a purchase price of \$0.10 per Unit, and the Unit consists of one (1) common share ("**Common Share**") of the Company and one (1) non-transferable share purchase warrant ("**Warrant**").

Each Warrant will entitle the holder to acquire one (1) Common Share at an exercise price of \$0.15 for a period of 24 months from the closing date of the Private Placement.

All securities issued in the financing will be subject to a statutory hold period expiring four months and one day after closing of the financing. Completion of the financing is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals, including approval of the Canadian Securities Exchange ("**CSE**").

The Company may, in its sole discretion, pay a finder's fee within CSE policy guidelines in connection with the Private Placement.

The Company intends to use the net proceeds of the Private Placement for the advancement of the Company's projects that are currently in the pipeline and will also be evaluating new project opportunities as part of its new business model.

About SHARC International Systems

SHARC International Systems Inc. is a world leader in thermal heat recovery. SHARC™ technology systems recycle thermal energy from wastewater, generating one of the most energy efficient and economical systems for heating, cooling & hot water preheating for commercial, residential and industrial buildings. SHARC is publicly traded in Canada (CSE: SHRC), the United States (OTCQB: INTWF) and Germany (Frankfurt: IWIA).

Further information about the Company is available on our website at www.sharcenergy.com or under our profile on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD

"Lynn Mueller"

Chairman and Chief Executive Officer

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Forward-Looking Statements

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. SHARC's actual results could differ materially from those

anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. SHARC believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

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