

Kista, May 2, 2016

Japanese Forest Energy and Cortus Energy have entered into an agreement on strategic cooperation

Forest Energy (Kuni Umi Biomass Inc.) and Cortus Energy (Publ) today signed an agreement which marks the start for a strategic cooperation for the lucrative Japanese market for small scale electricity generation based on biomass.

The earlier announced (April 19) preliminary agreement between Forest Energy and Cortus Energy has resulted in a firm agreement for a strategic cooperation to develop the Japanese market for small scale electricity generation based on biomass.

The incentive systems for biomass based electricity generation in Japan is strong, probably the strongest in the world. Until now larger scale projects, above 5 MW of power, has been developed. Forest Energy has developed two such projects with a total capacity of 25 MW. Within the small scale segment, up to 2 MW, the incentives (20 years Feed in tariff) are the highest but proper technologies has until now been missing to realize this potential. Forest Energy has made an extensive search on different technologies. The WoodRoll® process has been found to be the technology with the highest potential and best fit for the Japanese opportunity.

Forest Energy will use its experience and competence to identify and develop small scale projects that will use Cortus Energy's unique gasification technology WoodRoll® to convert biomass to power. With projects financed on favorable conditions, Cortus Energy will have the opportunity to be co-owner.

The strategic cooperation is based on realizing a first 2 MW electricity Pilot project, based on the modular 6 MW WoodRoll® plant. The pilot project will form the base for the future cooperation. The potential for the next coming 5 years is in the range of 25 projects. Forest Energy will order the basic design for the pilot project in June and an order for the Pilot project will follow within 12 months when the project site has been fully developed. Forest Energy works to obtain all needed permits, securing long term feedstock supply, 20 years feed in tariffs as well as a structures financing of each project.

"We are excited to start the cooperation with Forest Energy that is a perfect partner who has critical competence and experience to successfully establish and develop biomass projects as well as structured project financing for the lucrative renewable electricity market in Japan." says Rolf Ljunggren, CEO Cortus Energy.

"We are delighted to work in partners with Cortus Energy to introduce its WoodRoll® technology in Japan. The technology offers not only a cost-effective solution to the small scale biomass market, but also the flexibility to produce green hydrogen, which we believe will become the new source of energy in the coming years. We are confident that our joint efforts will result in a successful and profitable cooperation between Sweden and Japan" says Shingo Numa, CEO Forest Energy.

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About Cortus Energy

Cortus Energy (Publ) offers cost-effective energy gas for power, industrial and automotive applications based on its patented WoodRoll technology. WoodRoll has great feedstock flexibility, which means that the process can utilize low-grade renewable feedstock without compromising processing performance. Cortus Energy's shares are traded on Nasdaq First North (Stockholm, Sweden). Mangold Fondkommission, phone +46 8-503 01 550, is the Company's Certified Adviser.

About Forest Energy

Forest Energy brings one-stop solution to biomass energy business in Japan. We develop, engineer, finance and operate biomass power plants. Today, we have two wood-fired biomass plants under management (5.75MW and 20.5MW). Currently, the company is registered under the name of Kuni Umi Biomass Inc, and change to Forest Energy will be completed in early May 2016.

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