



NEWS RELEASE for release at 9:00 AM EDT on Wednesday, October 6, 2021

Valverde Power Solutions Positions to be a Carbon Capture Leader Using Clean Energy Systems Innovative Technology

- **Valverde Power Solutions and Clean Energy Systems Announce Definitive Master License Agreement**
- **15 Already Identified CCUS and Clean Power Projects to be Advanced**

Plano, Texas and Rancho Cordova, Calif. -- (PR Newswire) -- October 6, 2021 -- Valverde Power Solutions Inc. ("VPS") and Clean Energy Systems, Inc. ("CES") today jointly announced that VPS has entered into a definitive Master License Agreement with CES granting VPS the right to utilize the CES Oxy-Fuel Combustion technology for an initial 15 already-identified clean power and carbon capture and sequestration projects in the United States, Mexico and Canada. The CES Oxy-Fuel Burner allows the generation of electricity with 100% carbon capture creating **clean** power while efficiently utilizing domestically produced natural gas.

Through the Master License Agreement and CES' minority ownership position in VPS, our innovative companies are now entering into a collaborative partnership to advance the Oxy-Fuel Combustion technology in oil and gas fields and in other industrial applications, where natural gas can be converted into carbon-neutral electricity and the carbon dioxide (CO₂) sequestered or provided to enhanced oil recovery (EOR) operators.

Importantly, oilfield operations can now easily be powered by clean energy reducing their carbon footprint at the field level. CO₂ and electricity comprise two of the largest operating expense components of EOR operations and significant OPEX efficiencies can be achieved through the VPS plant design and the Oxy-Fuel Combustion technology. The Agreement will also enable VPS to produce a reliable and stable supply of clean electricity, complementing other clean sources of electricity from renewables and thereby contributing to an integrated, robust and environmentally friendly power grid for our economies.

As part of the consideration for granting VPS the Master License Agreement, CES will receive VPS common stock and CES CEO Keith Pronske will join the VPS Board of Directors.

Management Comments

Commenting on the License Agreement, Gareth Roberts, VPS CEO said: "At Valverde, we have expertise in the transport and sequestration of CO₂. We now combine that expertise with the CES technology to provide, by far, the cheapest and most efficient method of producing dependable electric power with zero emissions. Our first priority will be to develop decarbonized electricity in existing North American hydrocarbon oilfields, but quickly we intend to expand the technology to create commercial clean electricity at scale."

Keith Pronske, CES President & CEO, stated: "We're excited about our partnership with the VPS team, and look forward to rapidly developing several carbon-neutral projects in North America. Having worked on our CCS technology for the past 25 years and tested at scale all required systems, we see a very bright future for zero emissions power plants with full carbon capture."

About Valverde Power Solutions

Valverde Power Solutions Inc., with offices in Dallas and Calgary, Canada, is a privately held clean energy company employing leading-edge technology to deliver electric power and Carbon Capture Utilization and Storage (CCUS), initially targeting the oil and gas and refining industries and other industrial end users. VPS will participate as developer and equity partner of new, emission-free power projects, primarily in North America.

Through the CES partnership, our initial projects use natural gas combusted in pure oxygen to produce power and pure carbon dioxide which can be captured and safely stored underground or supplied to oilfields suitable for tertiary recovery. The electricity produced will be a dependable and a constant supply, thereby providing an important supplement to intermittent renewable electricity supplies and to oil and gas operators for a clean oilfield power alternative.

VPS was founded by Gareth Roberts, who has extensive carbon dioxide sequestration experience in North America and in the United Kingdom. He was the founder and CEO of Denbury Resources, where he developed expertise in CO₂ and subsequently founded 2CO, a U.K. based power producer utilizing CCUS.

Please visit www.valverdepowersolutions.com for more information.

About Clean Energy Systems

California-based Clean Energy Systems is a global leader in the development and deployment of carbon reducing energy systems. The company has successfully transitioned proven, reliable rocket engine combustion principles into a flexible and economically attractive power generation system for the benefit of our planet. CES' proprietary oxy-combustion technologies enable cleaner and more efficient co-generation of power, steam, water, and captured CO₂ and offers the world a new perspective on the way we assess the value of natural resources. Please visit www.cleanenergysystems.com for more information.

For Valverde Power Solutions

Gareth Roberts, CEO
469.573.8754

David Charles, Director of Investor Relations
469.573.8754

For Clean Energy Systems

Keith Pronske, CEO
916.638.7967

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