

EnerDynamic Hybrid Technologies Updates on California Solar Initiative

Toronto, Ontario--(Newsfile Corp. - May 14, 2018) - EnerDynamic Hybrid Technologies Corp. (TSXV: EHT) ("**EHT**" or the "**Company**") along with its joint venture partner, Custom Complex Structures ("**CCS**"), is pleased to provide an update on California's new solar regulations. On May 9th, California became the first state in the U.S. to require solar panels on almost all new homes. Most new homes built after January 1, 2020, will be required to include solar energy producing systems as part of the standard adopted by the California Energy Commission. This regulatory change has the potential to increase demand for EHTs ENERTEC ultra-light solar panel within that marketplace.

The new legislation in California, already the nation's largest solar market, underpins how rooftop solar is becoming a mainstream energy source. The housing mandate is part of Governor Jerry Brown's effort to slash carbon emissions by 40 percent by 2030 and offers an example for others to follow.

John Gamble, CEO of EHT states that "As I indicated in our January 4, 2018 press release, we have a strategic joint venture with CCS in the south-western United States in advance of this increased opportunity." Mr. Gamble further commented that "The California marketplace is set to undergo a complete overhaul in its housing sector with the implementation of this solar energy policy. EHT is in a position to capitalise on this expanding solar energy market which represents significant future potential."

"This is massive," said Morten Lund, chair of an energy storage initiative at law firm Stoel Rives LLP. "Essentially, this could turn residential solar into an appliance, like a water heater. There has always been a certain inevitability about that outcome, but this is moving faster than most of us thought likely."

The U.S. residential solar market has increased more than six-fold to 10.4 gigawatts in the last five years. The industry started slowing in 2017 amid policy changes and efforts by some companies to shift their strategies. "Adoption of these standards represents a quantum leap in statewide building standards," Bob Raymer, senior engineer of the California Building Industry Association, said during the meeting before the vote. "You can bet the other 49 states will be watching closely what happens."

The State of California adds about 80,000 new homes a year while the California Solar & Storage Association estimates that about 15,000 of these currently include solar power. The Energy Commission says that the average home system uses 2.5 kilowatts to 4 kilowatts of panels, so the additional 65,000 new systems would add as much as 260 megawatts of annual demand in the state. SunPower expects the rule will increase demand for residential solar in the state by about 50 percent.

EHT is also pleased to announce that it has completed a non-brokered private placement of \$272,000. The private placement, which closed on April 17, 2018, is comprised of 3,200,000 units at a price of \$0.085 per unit. Each unit consists of one common share and one common share purchase warrant, with each whole warrant being exercisable for one common share of the Company at a price of \$0.15 per share for a term of 36 months (the "**Offering**"). No finder's fee was paid in connection with this placement.

As an insider of the Company participated in the Offering, it is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(a) and (b)) as the fair market value of the common shares distributed to, nor the consideration received from, interested parties exceeded 25% of the Company's market capitalization.

Proceeds from the private placement will be used for general working capital purposes. Pursuant to applicable securities laws, all securities issued under the Offering are subject to a four month and a day hold period from the date of issuance.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About EnerDynamic Hybrid Technologies

EHT delivers proprietary, turn-key energy solutions which are intelligent, bankable and sustainable. EHT's expertise includes the development of its ENERTEC module structures with full integration of smart energy solutions. Using a proprietary skin and foam core that is stronger than traditional wood or steel structural insulated panels, EHT provides exceptional thermal energy efficiency in modular homes, cold storage facilities, residential/commercial out buildings and emergency/temporary shelters. EHT works with its partners worldwide to erect the buildings on-site utilizing EHT staff and local crews. In addition to traditional support to established electrical networks, ENERTEC buildings excel where no electrical grid exists.

About ENERTEC

The EHT advanced ENERTEC Modular Wall and Roof System uses a proprietary skin and foam core that is stronger and more energy efficient than traditional wood or steel structures providing the highest ratings for energy efficiency. EHT works with its partners worldwide to erect the buildings on-site utilizing EHT staff and local crews. After installation, each structure can be furnished and finished to meet the customer's requirements including siding, tile, kitchens and bathrooms or segregated

commercial rooms. The finished wall product can be shipped on pallets and delivered via rail, truck or water in standard formats.

At the core of the ENERTEC product line is the **ENERTEC Embedded Solar Roof Module**. Solar cells are embedded in a proprietary fire proof skin resulting in substantial cost savings by eliminating heavy glass panels and aluminum racking required for traditional solar panels. Two barriers to greater adoption of solar energy are weight limitations of the roof on which solar panels could be deployed and onerous shipping and labour costs. A lighter product at a better price point will open a larger market for solar due to the faster return of capital investment especially for rural and remote users looking to go off-grid. Furthermore, the entire EHT embedded solar roof becomes a massive solar panel capable of producing significantly more energy than the home requires, allowing the structure to then become an important source of power for the local micro grid or large battery storage systems.

Reference sources for this news release include: <https://cleantechnica.com/2018/03/25/storen-technologys-vanadium-flow-battery-prototype-outpacing-expectations/>, <http://nationalpost.com/news/world/solar-panels-will-be-required-on-new-homes-in-california-starting-in-2020>

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