



Press Release: November 16, 2016

Hydrostor closes B-Series financing with impressive investor group continuing its momentum in the energy storage market

TORONTO – Hydrostor announced today that it has closed a B-Series financing led by energy private equity group Lorem Partners, investment management firm Canoe Financial, MaRS Catalyst Fund, as well as participation by a number of existing investors including ArcTern Ventures. This financing will support sales and marketing of Hydrostor’s energy storage solutions.

Hydrostor is a global leader in adiabatic (emission free) compressed air energy storage (CAES) in underground geological formations or using their proprietary underwater air accumulator system. The Company commissioned the world’s first adiabatic, underwater-CAES system in 2015 with utility host Toronto Hydro.

“This financing will enable Hydrostor to execute on contracted projects, expand our installed base, and continue advancing the technology to maintain our advantage relative to battery solutions” said Curtis VanWalleghem, President & CEO of Hydrostor. “We are excited to welcome a fantastic group of new investors to the team. Lorem Partners and Canoe Financial offer robust energy and capital markets capabilities.”

In conjunction with the financing, Hydrostor announced that Curtis Bartlett and Ron Miller of Lorem Partners will join the Board of Directors. “Curtis and Ron are extraordinary leaders, investors and builders, with a deep understanding of finance and the energy business. We are pleased that they agreed to serve on our board of directors, and our company will benefit greatly from their knowledge and judgement.”

The financing comes on the heels of other recent announcements from Hydrostor including their global partnership with leader EPC provider AECOM, award of additional grant funding from Sustainable Development Technology Canada, and being selected by project developer NRStor Inc. to construct an energy storage facility in Goderich for Ontario’s IESO.

“Large-scale and economic energy storage is a critical component of the clean energy transition. We are in a strong position to capitalize on this growing market” said VanWalleghem.



ABOUT HYDROSTOR: Hydrostor Inc. is a leading provider of adiabatic (fuel free) Compressed Air Energy Storage in its proprietary underwater air cavity or in underground geological formations. The technology at scale is one of the lowest cost energy storage available on the market today, is emission free, and has an unlimited cycle life for over 25 years. Hydrostor owns and operates the world's first Underwater-CAES plant located on Toronto Island, in Toronto Canada. For more information please visit www.hydrostor.ca.

ABOUT LOREM PARTNERS: Lorem Partners is a network of experienced high net-worth private equity investors. Lorem is focused on funding the growth of start-up, early stage, small and medium-sized enterprises, or buying self-funding established firms, that offer competitive products and services within the natural resources, independent power production, and clean technology sectors. Lorem has partners located in Calgary, Toronto, and New York City.

ABOUT ARCTERN VENTURES: ArcTern Ventures is a privately-backed venture capital fund that provides growth capital to early stage companies developing breakthrough ideas in the cleantech sector. The Fund has developed a unique investment model through its partnership with MaRS, one of the largest innovation centres in world. For more information please visit www.arcternventures.com.

ABOUT CANOE FINANCIAL: Founded in 2008, Canoe Financial LP manages approximately \$3.5 billion in assets across a diversified range of open end mutual funds, flow-through limited partnerships, and private energy equity products. For more information please visit www.canoefinancial.com.

ABOUT MARS CATALYST FUND: MaRS Catalyst Fund provides funding and support to Canadian companies pursuing social and environmental outcomes with business models that scale. The Fund supports passionate entrepreneurs leveraging the tools of modern technology to address society's biggest challenges in delivering better health outcomes, a more sustainable planet and happier people through innovative education and work sustainability. After seeing a lack of impact investment opportunities in Canada, Sir Richard Branson's Virgin Unite seeded the MaRS Catalyst Fund. The Fund is managed by an experienced venture capital team at MaRS. For more information please visit www.marscatalystfund.ca.

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