

Midwest Energy Emissions Corp. Reports Third Quarter 2015 Financial Results

LEWIS CENTER, OH -- (Marketwired) -- 11/17/15 -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME2C" or the "Company"), an emerging leader in mercury emissions control technology for the global coal-power industry, today announced its financial results for third quarter, ended September 30, 2015.

Third Quarter 2015 Highlights

- Revenues up 164% - \$3.62 million in Q3 2015, compared to \$1.37 million in Q3 2014
- Operating loss decreased 82% from \$1.26 million in Q3 2014 to \$224,000 in Q3 2015
- Net loss decreased 42% from \$1.98 million in Q3 2014 to \$1.15 million in Q3 2015

Results Overview

During third quarter 2015, ME2C generated revenues of approximately \$3,626,000, compared to \$1,373,000 during Q3 2014 - an increase of approximately 164%. Year to date, the Company has generated a total of \$6,566,000 in revenues. This increase is due to equipment sales totaling more than \$3,206,000 from the completion and commissioning of six equipment installations at customer sites, along with ongoing sales to plants that began Mercury Air Toxic Standards (MATS) compliance in 2015.

"Revenues are continually growing quarter over quarter this year," said ME2C CEO Richard MacPherson. "We believe the increase in revenues achieved in the first nine months of 2015, which was \$4,300,000 more than the revenues during the same period last year is a strong indication of the growth we expect going forward to meet our already contracted and future business."

MacPherson continued, "We are continuing to meet the increasing demands of the marketplace and installing the infrastructure required for our clients' compliance needs. Our activities in the field during third quarter are on an upswing. We are especially pleased with the results of our recent demonstrations across the United States, where we introduced our new line of sorbents to great effect."

At the close of third quarter 2015, ME2C's operating expenses increased \$158,000 over Q3 2014 because of increased stock-based compensation; labor and technical consulting costs associated with assisting customers with testing and equipment commissioning; and increased salary and overhead costs associated with an increase in operations staff from the prior period. However, the Company's operating loss decreased 82%, with a total of \$224,000 compared to \$1,267,000 in Q3 2014. Net cash used in operating activities was less than \$1,000 in the quarter, meaning the Company was able to operate self-sufficiently.

ME2C also reported net loss decrease of 42% over the previous year. At the close of third quarter, the net loss was \$1,155,000, compared to more than \$1,980,000 at the same point in 2014. The decrease in net loss is attributed to a significant increase in sales in 2015.

"Over the first nine months of this year we focused heavily on increasing contract implementation, sales, and marketing. During third quarter, we continued to deploy resources towards execution on the currently contracted business, construction and implementation of proprietary mobile feeder systems that will enhance technology-demonstration flexibility. We have seen a recent increase in our demonstration efforts and with the current active prospects in the pipeline, ME2C is on track to achieve the success that was predicted early in 2015," MacPherson said.

The Company also reported that its plans with regard to holding public forum conference calls to review its quarterly results and give the market a chance to understand its progress are now expected to commence sometime in 2016.

About Midwest Energy Emissions Corp. (ME2 C)

Midwest Energy Emissions Corp. delivers patented and proprietary solutions to the global coal-power industry to remove mercury from their power plant emissions, providing performance guarantees and leading edge emissions services. The U.S. Environmental Protection Agency's (EPA) *Mercury and Air Toxic Standards* (MATS) rule requires that all coal- and oil-fired power plants in the U.S., larger than 25 mega-watts, must remove roughly 90% of mercury from their emissions starting April 16, 2015. In June 2015, the U.S. Supreme Court remanded MATS back to the U.S. Court of Appeals for the D.C. Circuit for further review, but left the rule in place. ME2C has developed patented technology and proprietary products that have been shown to achieve mercury removal levels compliant with MATS at a significantly lower cost and with less operational impact than currently used methods, while preserving the marketability of fly-ash for beneficial use.

Safe Harbor Statement

With the exception of historical information contained in this press release, content herein may contain "forward-looking statements" that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the statements made. Matters that may cause actual results to differ materially from those in the forward-looking statements include, among other factors, the gain or loss of a major customer, additional or new EPA regulations affecting coal-burning utilities, disruption in supply of materials, a significant change in general economic conditions in any of the regions where our customer utilities might experience significant changes in electric demand, a significant disruption in the supply of coal to our customer units, the loss of key management personnel, failure to obtain adequate working capital to execute the business plan and any major litigation regarding the Company. In addition, this release contains time-sensitive information that reflects management's best analysis only as of the date of this release. The Company does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release. Further information concerning issues that could materially affect financial performance related to forward-looking statements contained in this release can be found in the Company's periodic filings with the Securities and Exchange Commission.

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(UNAUDITED)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 912,762	\$ 7,212,114
Accounts receivable	1,112,942	410,950
Inventory	5,593,806	5,784,905
Prepaid expenses and other assets	117,955	140,559
Total current assets	7,737,465	13,548,528
Property and equipment, net	942,168	255,330
License, net	60,295	64,707
Prepaid expenses and other assets	6,494	13,799
Debt issuance costs, net	1,781,606	2,285,696
Customer acquisition costs, net	967,420	1,156,521
Total assets	\$ 11,495,448	\$ 17,324,581
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 648,453	\$ 775,034
Accrued salaries and benefits	455,651	399,487
Deferred revenue	5,342,400	5,808,301
Convertible notes payable	1,682,860	3,080,376
Customer credits	936,500	936,500
Other current liabilities	-	250,000
Total current liabilities	9,065,864	11,249,698
Convertible notes payable, net of discount	4,629,145	4,724,598
Warrant liability	4,135,687	5,597,011
Accrued interest	87,532	337,999
Equipment note payable	57,007	-
Total liabilities	17,975,235	21,909,306
Stockholders' deficit		
Preferred stock, \$.001 par value: 2,000,000 shares authorized	-	-
Common stock; \$.001 par value; 150,000,000 shares authorized; 47,194,118 shares issued and outstanding as of September 30, 2015		
40,228,123 shares issued and outstanding as of December 31, 2014	47,194	40,228

Additional paid-in capital	24,334,708	19,113,724
Accumulated deficit	(30,861,689)	(23,738,677)
Total stockholders' deficit	(6,479,787)	(4,584,725)
Total liabilities and stockholders' deficit	\$ 11,495,448	\$ 17,324,581

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)

	For the Three Months Ended September 30, 2015	For the Three Months Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
Revenues				
Product sales	\$ 2,386,961	\$ 1,280,043	\$ 3,239,633	\$ 1,939,095
Equipment sales	1,238,897	-	3,205,936	-
Demonstration and consulting services	-	93,250	120,318	313,155
Total revenues	3,625,858	1,373,293	6,565,887	2,252,250
Costs and expenses:				
Cost of goods sold	2,252,683	829,662	4,189,677	1,194,780
Operating expenses	627,200	469,370	1,776,617	725,036
License maintenance fees	75,000	75,000	225,000	225,000
Selling, general and administrative expenses	599,887	955,284	1,786,320	4,661,485
Depreciation and amortization	103,462	190,778	268,513	325,961
Professional fees	192,111	120,066	480,600	462,643
Total costs and expenses	3,850,343	2,640,160	8,726,727	7,594,905

Operating loss	(224,485)	(1,266,867)	(2,160,840)	(5,342,655)
Other (expense) income				
Interest expense	(905,713)	(714,852)	(5,264,186)	(1,421,708)
Change in value of warrant liability	144,595	-	1,461,324	-
Debt conversion costs	(161,537)	-	(1,123,380)	-
State income taxes	(7,705)	-	(35,930)	-
Total other (expense) income	(930,360)	(714,852)	(4,962,172)	(1,421,708)
Net loss	<u>\$ (1,154,845)</u>	<u>\$ (1,981,719)</u>	<u>\$ (7,123,012)</u>	<u>\$ (6,764,363)</u>

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Source: Midwest Energy Emissions Corp.