

# Midwest Energy Emissions Corp. Solidifies Financial Position With \$10 Million Private Placement of Convertible Notes and Warrants

WORTHINGTON, OH -- (Marketwired) -- 08/15/14 -- Midwest Energy Emissions Corp. (OTCQB: MEEC), a market leader in mercury emissions control systems for the coal-fired power industry, announced today that it has closed a private placement of a \$10 million senior secured convertible note and warrants with AC Midwest Energy, LLC, an affiliate of Alterna Capital Partners, LLC. Drexel Hamilton, LLC acted as the Company's exclusive placement agent in connection with the transaction.

"We are extremely pleased to now have the capital resources that will allow us to accelerate our progress toward obtaining significant market share in this very rapidly evolving mercury emissions control market," said R. Alan Kelley, MEEC President and CEO. "We look forward to bringing our patented SEA technology to broad commercialization globally, and this capital raise significantly enhances our capabilities. The quality of the investor involved in this financing is a strong endorsement of our Company and our technology. As an owner of coal-fired power assets, Alterna Capital Partners fully understands the importance of our dynamic value proposition to the market. We look forward to growing the Company by delivering significant customer wins for our shareholders in the coming months and beyond."

The proceeds of the offering will be used to expand the Company's recently opened distribution facility, establish an enhanced logistical infrastructure base to support expected demand in additional regions, invest in expansion of sales, marketing, and operations teams, position the Company to shorten lead times as market demand increases, and general corporate purposes. Management anticipates that proceeds from the offering will fully fund the Company into 2015, when they expect to be free cash flow positive.

The 4-year note bears interest at 12% per annum, convertible to Common Stock at \$1.00 per share, subject to weighted average anti-dilution and possible covenant adjustments. In addition, the Company issued the investor a five year warrant to purchase up to 12,500,000 shares of Common Stock at \$1.00 per share, also subject to weighted average anti-dilution and possible covenant adjustments. This description is qualified in its entirety by the more complete discussion of the transactions set forth in the associated Form 8-K filed by the Company. The shares underlying the note and warrant have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from such registration requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or

qualification under the securities laws of any such state or jurisdiction.

**About Midwest Energy Emissions Corp:** Midwest Energy Emissions Corporation develops and employs patented and proprietary technologies to remove mercury from coal-fired power plant emissions. 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. Midwest employs patented technology that has 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, a roughly \$450mm industry annually. Learn more at: [www.midwestemissions.com](http://www.midwestemissions.com)

**About Alterna Capital Partners:** Alterna Capital Partners is a private equity group with over \$1 billion of committed capital dedicated to ownership of "Core Capital Assets". "Core Capital Assets" are the long-lived, income-producing assets that are vital to productive operations of companies in the transportation, industrial, and energy sectors. Collectively, Alterna Capital Partners team has over 100 years of relevant industry experience. Learn more at: [www.alternacapital.com](http://www.alternacapital.com).

**About Drexel Hamilton, LLC:** Drexel Hamilton, LLC is a certified Service Disabled Veteran Owned and Managed Enterprise operating a full-service institutional broker-dealer. It partners finance industry veterans with service-disabled veterans to provide public and private institutions with industry leading Fixed Income Execution & Strategy, Equity Research & Execution, and Investment Banking Services. Learn more at [www.drexelhamilton.com](http://www.drexelhamilton.com).

### **Safe Harbor**

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, change in environmental regulations, 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.

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