November 15, 2016

Midwest Energy Emissions Corp. Reports Record Q3 2016 Financial Results; Increases Full Year 2016 Revenue Guidance From $30 Million to $31 Million -- $33 Million

Q3 2016 Revenues Increase 225% to Record $11.8 Million

Introduces Full Year 2017 Revenue Guidance of $60 Million to $70 Million, Representing an Increase of at Least 82% Over Expected Full Year 2016 Revenue

LEWIS CENTER, OH -- (Marketwired) -- 11/15/16 -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME2C" or the "Company"), a leader in mercury emissions control for the North American power industry, has provided its financial results for the three and nine months ended September 30, 2016, revenue guidance for the full year ending December 31, 2017, and an operational update.

Third Quarter 2016 Financial Summary

- Total revenues increased 225% to $11.8 million compared to $3.6 million in the same year-ago quarter
- Operating income improved to $1.7 million compared to an operating loss of $0.2 million in the same year-ago quarter
- Adjusted EBITDA (a non-GAAP financial measure) grew to $2.3 million compared to $0.2 million in the same year-ago quarter
- Net loss was $9.3 million, or ($0.19) per diluted share, compared to $1.2 million, or ($0.02) per diluted share, in the same year-ago quarter. The net loss for the third quarter of 2016 was primarily due to a non-cash $10.0 million valuation increase of certain warrants, compared to a non-cash $145,000 valuation decrease of certain warrants in the third quarter of 2015.

Financials Results

Total revenues in the third quarter of 2016 increased 225% to $11.8 million, compared to $3.6 million in the third quarter of 2015. Sequentially, revenues increased 25% when compared to revenue of $9.4 million in the second quarter of 2016. This growth is primarily attributed to the Company ending the third quarter of 2016 with 20 fully-operational Mercury and Air Toxics Standard (MATS) compliant electric generating units (EGUs) utilizing ME2C's technologies, compared to only four fully-operational EGUs in the first quarter of 2016.

Total revenues for the nine months ended September 30, 2016, were $24.5 million, an increase of 274% when compared to revenue of $6.6 million in the nine months ended September 30, 2015.

Operating income in the third quarter of 2016 was $1.7 million, compared to an operating loss of $0.2 million in the third quarter of 2015. Operating income for the nine months ended September 30, 2016, was $1.9 million, compared to an operating loss of $2.2 million in the first nine months of 2015.

Adjusted EBITDA in the third quarter of 2016 totaled $2.3 million, compared to $0.2 million in the same year-ago quarter. Adjusted EBITDA for the nine months ended September 30, 2016, was $3.3 million, compared to ($1.3) million in the first nine months of 2015. These improvements were primarily due to the increase in revenues, as well as improved gross margin and decreased interest expense.

Net loss in the third quarter of 2016 was $9.3 million, or ($0.19) per diluted share, compared to net loss of $1.2 million, or ($0.02) per diluted share, in the third quarter of 2015. The net loss for the third quarter of 2016 was primarily due to a non-cash $10.0 million valuation increase of certain warrants outstanding as of the close of the third quarter, compared to a non-cash $145,000 valuation decrease of certain warrants at the close of the third quarter of 2015.

On September 30, 2016, the Company had cash and cash equivalents of $2.0 million, compared to $1.1 million on December 31, 2015.

In November, ME2C announced that it had entered into a debt exchange agreement with AC Midwest Energy LLC, an affiliate of Alterna Capital Partners LLC (Alterna), a registered investment advisor located in Wilton, CT. The debt exchange will provide a simplified capital structure and reduced dilution for the Company. Under the terms of the exchange agreement, Alterna will exercise a portion of their 24.9 million warrants (when taking into account anti-dilution provisions) for 10.0 million shares of ME2C common stock, and surrender the remaining unexercised portion of the warrants and its existing $9.646 million senior secured convertible notes, in exchange for a $9.646 million non-convertible senior secured note and a $13.0 million non-convertible subordinated unsecured note. The 10.0 million shares of ME2C common stock received in connection with the above exercise are subject to lock-up for 12 months. Once complete, this transaction is expected to reduce the Company's total outstanding shares on a fully diluted basis by approximately 34.2 million.

The Company also announced earlier today a private placement financing of common stock with gross proceeds of approximately $13.5 million, before deducting placement agents' fees and estimated offering expenses, for the purchase of intellectual property, debt repayment, working capital and general corporate purposes. The private placement is anticipated to close on or about November 18, 2016, subject to the satisfaction of customary closing conditions.

The shares of common stock of ME2C sold in the private placement have not been registered under the Securities Act of 1933, as amended, and as such the shares may not be offered or sold in the United States absent registration under such act and applicable state securities laws or an applicable exemption from those registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

Full Year 2016 Revenue Guidance
For the full year ending December 31, 2016, the Company is increasing its previously provided revenue guidance of at least $30 million, to a range between $31 million to $33 million, an increase of at least 146% to 162%, respectively, when compared to revenue of $12.6 million for the full year that ended December 31, 2015, based on current power demand forecasts and plant projections.

Full Year 2017 Revenue Guidance
For the full year ending December 31, 2017, the Company expects revenue to range between $60 to $70 million, based on current power demand forecasts and plant projections.

Management Commentary
"As we reported last month with our preliminary revenue announcement, our record setting third quarter of 2016 is being driven by robust demand for our proprietary SEA™ Technology from coal fired power plants," said Richard MacPherson, President and CEO of ME2C. "Since the MATS 6-month grace period has now formally ended, utilities are recognizing our technology as a necessary solution and choosing our team over the competition, which is directly contributing to our improving margins and bottom line as we grow our established base of customers.

"Due to our strengthening financial position, we recently took the opportunity to engage in a debt exchange agreement with Alterna, which reduced dilution by over 34 million shares and simplified our capital structure. In conjunction with this, we were also pleased to announce a private financing that was used to reduce debt on our balance sheet, and will enable us to acquire our IP and bolster our working capital. These events not only improve our balance sheet significantly, but position the Company to further increase shareholder value well into the future.

"Looking ahead, the fourth quarter is typically our low-watermark of the year due to our current customer concentration in the Southwest where many clients decrease capacity; however, we expect this seasonality to eventually be mitigated as we secure customers in different geographic regions -- such as the Central and Northern regions of the U.S. In addition to rapidly expanding our customer base, especially those that encounter challenging operational or equipment limitation conditions at the plant level, we will also continue to focus on penetrating existing customer fleets which presents a significant opportunity.

"Taken together, we remain highly confident that our revenue and cash flow will continue to produce record growth for our shareholders as we continue to successfully penetrate a $2.5 billion annual market."

Conference Call and Webcast

Management will host a conference call today, November 15, 2016 at 11:30 a.m. Eastern time to discuss ME2C's third quarter 2016 results, provide a corporate update, and conclude with a Q&A from participants. To participate, please use the following information:

Date: Tuesday, November 15, 2016
Time: 11:30 a.m. Eastern time
U.S. Dial-in: 1-888-596-2629
International Dial-in: 1-913-312-1458
Conference ID: 2186159
Webcast: http://public.viavid.com/index.php?id=121444

Please dial in at least 10 minutes before the start of the call to ensure timely participation.

A playback of the call will be available through January 15, 2017. To listen, call 1-844-512-2921 within the United States or 1-412-317-6671 when calling internationally. Please use the replay pin number 2186159.

About Midwest Energy Emissions Corp. (ME2C)
Midwest Energy Emissions Corp. (OTCQB: MEEC) delivers patented and proprietary solutions to the global coal-power industry to remove mercury from power plant emissions, providing performance guarantees, and leading-edge emissions services. The U.S. Environmental Protection Agency (EPA) MATS rule, which has been subject to legal challenges, 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 15, 2015. 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. For more information, please visit www.midwestemissions.com.

Use of Non-GAAP Financial Measures
To provide investors with additional information regarding our financial results, this press release includes references to Adjusted EBITDA, a Non-GAAP financial measure. We view Adjusted EBITDA as an operating performance measure and, as such, we believe that the GAAP financial measure most directly comparable to it is net income (loss). We define Adjusted EBITDA as net income adjusted for income taxes, depreciation, amortization, stock based compensation, and other non-cash income and expenses. We believe that Adjusted EBITDA provides us an important measure of operating performance. Our use of Adjusted EBITDA has limitations as an analytical tool, and this measure should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP, as the excluded items may have significant effects on our operating results and financial condition. Additionally, our measure of Adjusted EBITDA may differ from other companies' measure of Adjusted EBITDA. When evaluating our performance, Adjusted EBITDA should be considered with other financial performance measures, including various cash flow metrics, net income and other GAAP results. In the future, we may disclose different non-GAAP financial measures in order to help our investors and others more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

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. Forward-looking statements are generally identified by using words such as "anticipate," "believe," "plan," "expect," "intend," "will," and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. 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, capacity factor fluctuations of power plant operations and power demands, 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, availability of capital 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, 2016 AND DECEMBER 31, 2015
(UNAUDITED)

	September 30, 2016 (Unaudited)	***December 31, 2015***
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,047,804	$ 1,083,280
Accounts receivable	5,242,893	1,150,602
Inventory	765,917	2,715,913
Prepaid expenses and other assets	186,000	161,813
Total current assets	8,242,614	5,111,608
Property and equipment, net	2,379,808	1,243,450
License, net	54,415	58,825
Prepaid expenses and other assets	-	4,058
Customer acquisition costs, net	763,048	897,428
Total assets	$ 11,439,885	$ 7,315,369
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 5,190,907	$ 1,235,162
Deferred revenue	-	2,281,760
Convertible notes payable	3,960,335	2,497,114
Current portion of equipment notes payable	39,043	20,979

Customer credits	936,500	936,500
Total current liabilities	10,126,785	6,971,515
Convertible notes payable, net of discount	4,042,782	3,175,085
Warrant liability	23,763,000	9,854,400
Accrued interest	75,738	169,202
Equipment notes payable	153,183	90,165
Total liabilities	38,161,488	20,260,367
Stockholders' deficit		
Preferred stock, $.001 par value: 2,000,000 shares authorized	-	-
Common stock; $.001 par value; 150,000,000 shares authorized; 49,292,297 shares issued and outstanding as of September 30, 2016 47,194,118 shares issued and outstanding as of December 31, 2015	49,292	47,194
Additional paid-in capital	27,865,654	25,008,016
Accumulated deficit	(54,636,549)	(38,000,208)
Total stockholders' deficit	(26,721,603)	(12,944,998)
Total liabilities and stockholders' deficit	$ 11,439,885	$ 7,315,369

The accompanying notes are an integral part of these condensed consolidated financial statements.

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(UNAUDITED)

	For the Three Months Ended September 30, 2016	***For the Three Months Ended September 30, 2015***	***For the Nine Months Ended September 30, 2016***	***For the Nine Months Ended September 30, 2015***
Revenues	11,771,418	3,625,858	24,536,939	6,565,887
Costs and expenses:				
Cost of sales	7,889,543	2,704,119	17,681,359	5,545,081
Selling, general and administrative expenses	2,145,334	1,146,223	4,983,319	3,181,646

Total costs and expenses	10,034,877	3,850,342	22,664,678	8,726,727
Operating income (loss)	1,736,541	(224,484)	1,872,261	(2,160,840)
Other (expense) income				
Interest expense	(1,034,263)	(905,713)	(4,243,689)	(3,018,080)
Letter of credit fees	-	-	-	-
Change in value of warrant liability	(9,984,541)	144,595	(14,241,141)	1,461,324
Change in Fair Value of Debt	-	-	-	(2,246,105)
Debt conversion costs	-	(161,537)	-	(1,123,380)
State income taxes	(19,561)	(7,705)	(23,772)	(35,930)
Total other (expense) income	(11,038,365)	(930,360)	(18,508,602)	(4,962,171)
Net (loss) income	$ (9,301,824)	$ (1,154,844)	$ (16,636,341)	$ (7,123,011)
Net (loss) income per common share - basic and diluted:	$ (0.19)	$ (0.02)	$ (0.35)	$ (0.17)
Weighted average common shares outstanding	47,918,064	46,619,367	47,546,461	41,134,152

The accompanying notes are an integral part of these condensed consolidated financial statements.

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http://www.marketwire.com/library/MwGo/2016/11/15/11G122119/Images/Table2-G122119-291932b8329abb63a4dbb7269b93d8e1.jpg
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http://www.marketwire.com/library/MwGo/2016/11/15/11G122119/Images/Table1-G122119-97ea8e70559aac57a103ed3dc2a34887.jpg

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Source: Midwest Energy Emissions Corp.