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Ener-Core and Siemens' Dresser-Rand Business Announce Grid Synchronization of 3.5 MW Co-Generation Plant at Pacific Ethanol

Key milestone in commercialization of Ener-Core technology

IRVINE, CA -- (Marketwired) -- 01/30/18 -- [Ener-Core, Inc.](#) (OTCQB: ENCR), a developer and licensor of innovative gas conversion technologies for global commercial and industrial facilities, announced that its first two 1.75 megawatt (MW) Power Oxidizers integrated with the Dresser-Rand (part of Siemens Power and Gas Division) business' KG2-3G gas turbines have achieved electrical synchronization with the power grid. The systems are now producing electricity and steam at the Pacific Ethanol, Inc. (NASDAQ: PEIX) bio-refinery in Stockton, California. The successful operation and grid synchronization represents the last significant technical milestone before full production of the Dresser-Rand business' KG2-3G Power Oxidizer units. Pacific Ethanol expects that the systems should enable the Stockton bio-refinery to reduce its energy purchases by an estimated \$1 million per quarter.

The Ener-Core Power Oxidizers are designed to replace the traditional gas-fired combustion chamber within Combined Heat and Power (CHP) gas turbines. The resulting integrated CHP gas turbine solution enables industrial sites to convert their low-quality waste gases directly into useful clean power and heat and steam, which allows the Dresser-Rand business to provide industrial clients with a first-of-its-kind solution that can substantially reduce their purchases of energy from the grid while also reducing carbon and nitrogen oxide (NOx) emissions. The Dresser-Rand business and Ener-Core engineering teams have worked collaboratively since the beginning of 2015 to integrate the Ener-Core Power Oxidizer into the Dresser-Rand KG2 gas turbine; the scheduled final commissioning of the first two systems at Pacific Ethanol's Stockton bio-refinery represents a new chapter in the Ener-Core business.

Christian Lupp, Vice President of Commercialization of New Technologies at the Dresser-Rand business, said: "With this grid synchronization now achieved, the Dresser-Rand business and Ener-Core engineering teams are nearing completion of a remarkable and highly anticipated integration project. With this milestone, we look forward to the commercial deployment of this innovative and strategically valuable product line, and also to potentially expanding the scope of our existing license in the future."

Alain Castro, CEO of Ener-Core, commented: "It has been a long three-year project, but we now have a technologically approved and integrated 1.75 MW PowerStation that is fully available for commercial deployment under the Dresser-Rand business'

manufacturing umbrella. I have been inspired by the relentless dedication of our engineering team, and would like to thank them as well as the engineers and project team members from the Dresser-Rand business and Pacific Ethanol. Without the persistence and hard work of this collaborative team, we could not have reached this important commercial milestone. We look forward to full commercialization in 2018 for the KG2-3G Power Oxidizer units."

Neil Koehler, President and CEO of Pacific Ethanol, stated, "The installation of the Power Oxidizer at our Stockton plant demonstrates our commitment to reducing costs, reducing carbon and NOx emissions, and improving profitability throughout our nine facilities. By using waste gases to deliver usable, clean base-load electricity and steam production, we expect the cogeneration system will reduce our energy costs by an estimated \$4 million per year."

About Ener-Core

Irvine, California-based Ener-Core, Inc. (OTCQB: ENCR) owns and licenses its proprietary Power Oxidation technology, which has been commercially deployed and generates base load, clean power from polluting waste gases including methane. Ener-Core's patented Power Oxidizer is designed to turn one of the most potent pollution sources into a profitable, "always on" source of clean energy. Ener-Core's technology offers an alternative to the flaring (burning) of gaseous pollution while generating operating efficiencies and reducing the costs of compliance with environmental regulations. Ener-Core offers the 250 kW Ener-Core EC250 and the larger, 2 MW Ener-Core Powerstation KG2-3GEF/PO. For more information, please visit www.ener-core.com.

About the Dresser-Rand business

The Dresser-Rand business, part of Siemens Power and Gas, is a leading supplier of mission-critical, high-speed rotating equipment solutions to the worldwide oil, gas, petrochemical, and process industries. As part of the global Siemens family, the Dresser-Rand business offers an equipment portfolio that includes turbo and reciprocating compressors; steam turbines; industrial and aero-derivative gas turbines; high-speed engines; and modular power substations. With the world's largest installed base, one of the world's largest technical support and service center networks, and a presence in more than 150 countries worldwide, Siemens delivers local solutions and services on a global scale.

Cautionary Statement Regarding Forward Looking Statements

Forward-looking statements contained in this press release are made under the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995. Information provided by Ener-Core, Inc., such as online or printed documents, publications or information available via its website, including this press release, contain forward-looking statements that involve risks, uncertainties, assumptions, and other factors, which, if they do not materialize or prove correct, could cause its results to differ materially from historical results, or those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements containing the words "planned," "expects," "believes," "strategy," "opportunity," "anticipates," "outlook," "designed" and similar words. These statements may include, among others, plans, strategies, and

objectives of management for future operations; any statements regarding proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statements of assumptions underlying any of the foregoing. The information contained in this release is as of the date of this press release. Except as otherwise expressly referenced herein or required by law, Ener-Core assumes no obligation to update forward-looking statements.

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