



**Attention Business, Energy and Environment Editors**

**For immediate release**

**Thermal Energy and South China University of Technology (SCUT) Sign  
THERMALONox™ Development Agreement**

*Joint R&D program backed by Chinese government, to test and commercialize TEI's  
new nitrogen oxides (NOx) removal technology in largest coal-fired power market*

OTTAWA, Canada – April 10, 2007 – Thermal Energy International Inc. (TSX-V:TMG)

([www.thermalenergy.com](http://www.thermalenergy.com)) is pleased to announce it has signed an agreement with the South China University of Technology (SCUT), with Chinese government backing, to research and develop industrial applications for Thermal Energy's THERMALONox™ nitrogen oxides (NOx) removal technology.

The two-year, agreement calls for Thermal Energy (TEI) and SCUT to establish a joint research and development laboratory in Guangzhou, China, with the support of the Guangzhou Municipal Science and Technology Bureau, and the Guangzhou Environmental Protection Bureau.

The R&D program envisions demonstrating THERMALONox™ on a coal-fired power plant slip-stream in Guangdong province which has been tentatively identified by officials as a suitable test site. SCUT will also contribute funding and cover a number of expenses including costs related to demonstration-scale testing. The agreement is non-exclusive and can be expanded to include additional partners. Laboratory tests in Canada have shown the new THERMALONox™ process can remove more than 98% of nitrogen oxides (NOx) from a simulated flue gas stream.

The agreement also calls for joint development and research into the removal of greenhouse gases such as carbon dioxide (CO<sub>2</sub>) and other air toxics, including an opportunity for TEI to explore North American commercialization of a unique bioremediation technology that SCUT has been developing in China. This technology may be complimentary to the THERMALONox™ process and represents an area of research and development which holds great promise as a solution for air pollution control, including CO<sub>2</sub> reduction.

“We are excited by the opportunity of working with TEI in developing this technology for its practical applications in China,” said Dr. Shaobin Huang, Professor of SCUT and Project Manager (China) of the TEI-SCUT joint R&D projects in Guangdong, China. “We believe this technology has a great market potential here and we will also work due diligently to protect the intellectual property of TEI's patented technologies. We expect to receive full support from different levels of Chinese governments in protecting the intellectual

property, and helping TEI to overcome obstacles and reduce risks in commercializing the relevant technologies and marketing the products in China.”

China has 562 new coal-fired power plants slated to come on line in the next eight years – half of the entire world’s new planned capacity. This compares to 213 new plants planned for India and 72 new coal-fired plants in the U.S. over the same time frame. More than 80% of all China’s power comes from coal and 90% of all new power production planned in that country is based on coal. Without aggressive NOx reduction, China and other Asian countries will account for 22 million tons of NOx emissions a year by 2020 – equal to almost 75% of the total world emissions of NOx from coal-fired power plants.

South China University of Technology, one of China's key universities operating under the direct leadership of the State Ministry of Education, is situated in Guangzhou, a southern metropolis in China, near Hong Kong. SCUT currently has over 44,500 students, including 10,300 master's degrees candidates and doctoral candidates.

“From our first meetings in China last December, the enthusiasm we received from officials about our THERMALONOX™ technology made it clear SCUT is not just an outstanding research and development partner, but is also a very important partner to help us eventually market the applications for this technology in China,” said Thermal Energy Chief Technology Officer Robert Triebe. “SCUT provides a research capacity and the resources (facilities and personnel), which will help us accelerate our research and commercialization of THERMALONOX™.”

### **About Thermal Energy**

Thermal Energy International Inc. is an innovative technology company providing custom energy and emission reduction, and bioenergy solutions. Headquartered in Ottawa, Canada, TEI is a designer, design build developer, fabricator, and supplier of proprietary and patented energy conservation, renewable energy and environmental technology solutions. Thermal Energy is a fully accredited professional engineering firm, and offers advanced process and applications engineering services. The Company is a proud member of the Chicago Climate Exchange (CCX). FLU-ACE®, Dry-Rex™, THERMALONOX™ and THERMALOZOMAX™ are trademarks of Thermal Energy International. GEM® is a trademark used under exclusive license from Gardner Energy Management Ltd.

For more information about Thermal Energy International Inc. (TSX-V: TMG), visit our website at [www.thermalenergy.com](http://www.thermalenergy.com).

### **Contact:**

Stuart McCarthy  
Thermal Energy International Inc.  
Investor Relations and Communications  
(613) 723-6776 x 220  
[stuart.mccarthy@thermalenergy.com](mailto:stuart.mccarthy@thermalenergy.com)

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.