

S2G Begins Bio-Based Glycol Production at Partner Site

Commercial-scale production begins at Pennakem in Memphis, Tennessee

Vancouver, BC and Memphis, TN – April 18, 2016 – S2G BioChemicals (S2G), a Vancouver BC based developer of natural chemical conversion technologies, has announced that the company initiated production today of fossil-free bio-based glycols at the Memphis, Tennessee site of the Company's operating partner, Pennakem LLC, a wholly-owned subsidiary of the Minafin Group.

S2G's proprietary process has been integrated into Pennakem's existing chemical facility to convert natural, non-food waste into usable sugar-based glycols. The natural glycols will serve as a drop-in replacement for common petroleum-based chemicals used in a wide range of consumer and industrial products such as resins, PET/PEF plastic drink containers, cosmetics, pharmaceuticals, coolants and antifreeze.

"Today's announcement is an important step forward for S2G as we move to the commercial-scale operation of our bio-based chemical conversion process," said Mark Kirby, President and Chief Executive Officer of S2G BioChem. "The efficient and economical advantages of integrating our technology into existing facilities will have a significant impact on the business case of bio-based glycols. We look forward to bringing a new era of cost-effective bio-based refining to the products we use every day, one based on working with nature rather than against it."

"We have achieved two significant advancements today including the integration of our process into an existing chemical plant, and its operation at commercial-scale," said Jeff Plato, Director, Corporate and Business Development of S2G BioChem. "These are major milestones in S2G's commercialization path and we look forward to demonstrating our ability to co-produce bio-based glycols and other high value specialty chemicals that can compete economically with fossil fuel chemicals on a meaningful scale."

"We are extremely impressed with the seamless integration of S2G's innovative, high-yield bioconversion process into our existing chemical production infrastructure," said Tom Waldman, President of Pennakem. "The combination of S2G's innovative process and Pennakem's 75 years of manufacturing expertise using biorenewable feedstocks will lower costs and could catalyze the demand for sustainably and economically produced natural bio-based glycols."

S2G's "sugar-to-glycol" technology is a simple, durable, and efficient process that utilizes low-cost renewable feedstocks to co-produce an economical supply of high value speciality chemicals and sustainable bio-glycols for use by consumer and industrial product manufacturers.

Accredited media are invited to attend Mark Kirby's presentation "Commercializing Biochemical Production" at the [BIO World Congress on Industrial Biotechnology](#) – the largest industrial biotech event in advanced biofuels, bio-based products and renewable chemicals – in San Diego, California on April 20, 2016 at 8:30 am.

ABOUT S2G BIOCHEMICALS

S2GBioChemicals Inc. is a high-growth company providing an economical path to produce biochemicals for use in a wide variety of consumer and industrial products. As a second-generation biorefinery technology provider, S2G works with chemical refining companies to integrate their proprietary sugar-to-

glycols process and deliver fossil-free biomaterials made from renewable agricultural and forestry waste. S2G's success is the result of over 15 years of design, engineering and operation with the goal of eliminating the use of petrochemicals in the biomaterials value chain. For more information about how S2G can supply petroleum-free ingredients for your products, visit www.s2gbiochem.com.

ABOUT PENNAKEM

From its modern manufacturing facility in Memphis, Tennessee, Pennakem creates value-added chemical intermediates and solvents based on renewable resources. With 75 years of experience Pennakem develops and manufactures its line of fine and specialty chemicals to a wide range of industries including pharmaceutical, agricultural, and petrochemical. (www.pennakem.com). Pennakem is a wholly-owned subsidiary of the Minafin Group.

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