Lockheed Martin Invests In FORGE Hydrocarbons' Lipid To Hydrocarbons Technology

Toronto, December 3, 2018 – Forge Hydrocarbons Corporation (FORGE) today announced that it has received a $4 million USD investment from Lockheed Martin (NYSE: LMT) under the Industrial and Technological Benefits (ITB) Policy. This investment enables Forge, a Canadian, Small and Medium-Sized Enterprise (SME) company to further develop its Lipid-to-Hydrocarbon (LTH) technology and to construct a first-of-kind, commercial plant with a production capacity of approximately 19 million liters per year (ML/y).

FORGE's LTH proprietary production technology produces drop-in, renewable fuels that are indistinguishable from petroleum-based fuels and that are directly compatible with the current petroleum-based fuel infrastructure. Renewable fuels are an extremely important element in any country's strategy to reduce its carbon footprint and to adhere with the Clean Fuel Standard to reduce Canada's greenhouse gas emissions by 30 megatons by the year 2030. FORGE's LTH technology reduces green house gas emissions by over 70% compared to petroleum-based fuels.

Lockheed Martin's investment is in direct support of its ITB obligations associated with Canada's purchase of 17 CC-130J Super Hercules aircraft, which were delivered to the Royal Canadian Air Force in 2010. Lockheed Martin also delivers continued In-Service Support for the CC-130J fleet.

The LTH process emerged from decades of high temperature chemistry research and was invented by Dr. David Bressler a Professor in the Faculty of Agricultural, Life & Environmental Sciences at the University of Alberta in Edmonton Alberta. Early research and the construction of the first pilot facility was supported through grants from the Natural Sciences and Engineering Research Council of Canada, the Province of Alberta, MITACS and Alberta Innovates as well as large investments by the Alberta Livestock and Meat Agency and Western Economic Diversification Canada. The SOMBRA LTH Facility is being supported by a $4.2 million contribution by Sustainable Development Technology Canada.

"FORGE is extraordinarily pleased to have this investment from Lockheed Martin under the ITB Framework. Lockheed Martin's investment not only adds to the validation received to date for the LTH technology buy also provides a necessary monetary boost to FORGE's commercialization pathway", said FORGE CEO Tim Haig. Owing to Lockheed Martin's investment, Forge has begun final engineering design and site preparation for the first LTH plant to be built in Sombra Ontario. FORGE expects to break-ground on this first LTH plant in 2018. This project funding will also contribute to the continuation of research and development, at the University of Alberta and Forge's pilot facility in Edmonton, Alberta, to increase the efficiency of the technology and to broaden the scope of the application to a wider range of feed stocks that can be transformed into a broader range of renewable fuels.

"We are very pleased to see our Investment Framework grant going to such a highly innovative SME like Forge," says Charles Bouchard, chief executive of Lockheed Martin Canada. "We are impressed with Forge and its contributions to providing this advanced, renewable fuel technology to the global community. The success of this investment is an example of how large international aerospace companies such as Lockheed Martin can collaborate with smaller businesses in Canada to create opportunities for lasting growth in the Canadian economy."

About Lockheed Martin

Headquartered in Bethesda, Maryland, Lockheed Martin is a global security and aerospace company that employs approximately 97,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. For additional information, visit our website.

About FORGE Hydrocarbons Corp

Forge Hydrocarbons is a privately held, pre-revenue company incorporated in Alberta with corporate offices in Ontario and a pilot facility in Edmonton Alberta. It specializes in the production of drop-in fuels from low cost feedstock such as "yellow" and "brown" grease, using an exclusively licensed technology from the University of Alberta. The company was founded in 2012. Forge holds the master license for the Lipid-to-Hydrocarbon (LTH) technology which is licensed on a non-exclusive basis to the Forge-Sombra Corporation. The FORGE team, led by successful entrepreneur Tim Haig, is built on experience and skills in research, management and the commercial development of innovative biofuels projects. For more information please visit us at www.forgehc.com

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