

**FOR IMMEDIATE RELEASE** July 14, 2015

**Hybrid Wins EPA's Prestigious 20<sup>th</sup> Annual Presidential Green Chemistry Challenge Award**

SAN FRANCISCO, July 14, 2015 (GLOBE NEWSWIRE) -- Hybrid Coating Technologies Inc. (HCTI) is pleased to announce that it has won the Presidential Green Chemistry Challenge Award given by the U.S. Environmental Protection Agency (EPA) in cooperation with the American Chemical Society. The award program, supported by the White House Office of Science and Technology Policy and the American Chemical Society, recognizes "landmark green chemistry technologies developed by industrial pioneers and leading scientists in the field of green chemistry."

According to the EPA, Hybrid's Green Polyurethane(TM) (Hybrid Non-isocyanate Polyurethane) technology is "a safer, plant-based polyurethane for use on floors, furniture and in foam insulation. The technology eliminates the use of isocyanates, which contribute to workplace asthma. This is already in production, is reducing VOC's and costs, and is safer for people and the environment."

Please see the link to the EPA's press release below:

<http://yosemite.epa.gov/opa/admpress.nsf/0/B7CD0898818434F785257E8100580D16>

"Hybrid has been working diligently for many years to improve the safety of polyurethanes and their application for coatings, foam, adhesives and sealants without sacrificing on quality and performance," said Joseph Kristul President and CEO, "We are very pleased by this most prestigious award and recognition of our unique polyurethane technology and for its game changing potential."

Hybrid's patented technology is the only formulation in the world today that produces polyurethane without the use of any isocyanates in the entire production process.

## **CAUTIONARY DISCLOSURE ABOUT FORWARD-LOOKING STATEMENTS**

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements in this news release other than statements of historical fact are "forward-looking statements" that are based on current expectations and assumptions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the statements, including, but not limited to, the following: the ability of Hybrid Coating Technologies Inc. to provide for its obligations, to provide working capital needs from operating revenues, to obtain additional financing needed for any future acquisitions, to meet competitive challenges and technological changes, and other risks. Hybrid Coating Technologies Inc. undertakes no duty to update any forward-looking statement(s) and/or to confirm the statement(s) to actual results or changes in Hybrid Coating Technologies Inc. expectations.

### **About Hybrid Coating Technologies**

Hybrid Coating Technologies (HCT) is a San Francisco-based innovator focused on improving the quality and safety of foam, coatings, and adhesives for industrial and commercial customers around the world. We are the exclusive licensee of Green Polyurethane™ foam, coatings, and adhesives – the world's first-ever patent protected hybrid polyurethane-based foam, coatings, and adhesive products that eliminate toxic isocyanates from the entire production process (licensed by Nanotech Industries, Inc.).

### **The Problem of Conventional PU Coatings, Foam and Isocyanates**

Conventional polyurethane (PU) coatings have many disadvantages: they are porous, permeable and maintain poor hydrolytic stability. This makes the material highly vulnerable to environmental degradation and ultimately leads to their chemical decomposition, especially when in contact with water. Conventional PU foams such as spray foam insulation are applied via a spraying mechanism that sends toxic isocyanates in the air – exposing workers to the dangers of toxic isocyanates. Strict and costly health & safety measures have to be implemented in the manufacture and application of conventional polyurethane due to the toxicity of isocyanates. This is why regulatory bodies around the world are now looking toward phasing out the use of isocyanates.

### **The Green Polyurethane™ Solution**

Green Polyurethane™ (also referred to as "HNIPU" - hybrid non-isocyanate polyurethane) is a "hybrid" material that combines the high chemical resistance properties of epoxy and advanced durability and wear resistance properties of polyurethane. It makes the perfect coating application for sanitary, high traffic and corrosive surface areas. As a hybrid material with superior properties, Green Polyurethane™ can be applied in one or two coatings, providing a welcome cost-saving substitute to currently used multi-layered coating applications. Its safety features allow it to be applied without the interruption of business due to public exposure, creating an additional 30-60% savings on application costs for customers. As a foam, Green Polyurethane™ provides high R values up to 6.0, energy savings up to 30% and improved tensile strength over conventional foam without using dangerous isocyanates.

### **Recent Anti-Isocyanate Regulatory Pressure**

US EPA MDI Action Plan: The US EPA (Environmental Protection Agency) is taking progressive action to regulate and potentially ban isocyanates and has mentioned Hybrid's technology as an alternative to toxic polyurethane in its MDI Action Plan against isocyanates (see page 4 Figovsky and Shapovalov)

<http://www.epa.gov/oppt/existingchemicals/pubs/actionplans/mdi.pdf>

OSHA National Emphasis Program: On June 25, 2013 the Occupational Safety and Health Administration (OSHA), a division of the US Department of Labor, initiated a National Emphasis Program to protect workers from the serious health effects from occupational exposure to isocyanates. Isocyanates are found in polyurethane based products. According to OSHA, "Workers exposed to isocyanates can suffer debilitating health problems for months or even years after exposure which could result in death."

California's Department of Toxic Substances Control (DTSC) on March 13, 2014 selected isocyanates and two others substances from a list of 1,100 toxic components that it will focus on with the goal of potentially banning them altogether within the next two years. The announcement is part of a bigger effort to educate consumers and manufacturers about product safety under the Green-Chemistry Law, which went into effect in California last year. Under the law, the agency has jurisdiction to ban these products altogether after following proper protocol. That process includes workshops, a public comment period and requiring manufacturers that want to sell these products in California to determine whether it would be feasible to use safer ingredients

The US EPA on January 8, 2015 announced that it was taking action to protect consumers from new uses and imports of harmful isocyanates in polyurethane. The EPA's proposed action, a Significant New Use Rule (SNUR) under the Toxic Substances Control Act (TSCA), would require manufacturers (including importers) to notify the EPA at least 90 days before starting or resuming new uses of isocyanates in polyurethane based consumer products. The EPA would then have the opportunity to evaluate the intended use of and if necessary, to take action to prohibit or limit all products containing over one tenth of one percent of the chemical including imported products that make their way into the United States

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