

Hybrid Coating Technologies: US EPA Proposes Rule To Limit Isocyanates In Polyurethane

San Francisco CA, January 21, 2015 -- (MARKET WIRE) -- Hybrid Coating Technologies Inc. (HCTI) is pleased to announce that the US EPA (Environmental Protection Agency) announced on January 8th, 2015 that it is 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 0.1 percent of the chemical including imported products that make their way into the United States. According to the US EPA, isocyanates are currently widely used in the production of polyurethanes such as coatings, elastomers, adhesives, and sealants and can be found in consumer products used in and around homes or schools. Isocyanates are well known dermal and inhalation sensitizers in the workplace and can cause asthma, lung damage, and in severe cases, death.

"We are very pleased to see that the US EPA is following suit on its pledge to crack down on isocyanates," said Joseph Kristul, President and CEO of Hybrid, "As the only company in the world with a hybrid non-isocyanate polyurethane technology, this places Hybrid in a very unique and opportune situation."

Hybrid's polyurethane technology was mentioned in the US EPA's previous action report as the only commercially viable alternative to toxic isocyanate based polyurethane.

Management believes that this most recent action by the EPA, which follows actions by the US Department of Labor and the California Department of Toxic Substances Control, is a precursor to stricter regulations to come on the use of isocyanates and should eventually lead to an outright ban of isocyanates altogether.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/c03cfb99d832d39885257dc700701365!OpenDocument>

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 foams, coatings and paint for industrial and commercial customers around the world. We are the exclusive licensee of Green Polyurethane™ foams, coatings, and paint – the world's first-ever patent

protected polyurethane-based foams, coatings, and paint products that eliminate toxic isocyanates from the entire production process (licensed by Nanotech Industries, Inc.).

The Problem of Conventional Foams/Coatings/Paint and Isocyanates

Conventional polyurethane (PU) paint and 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 spraying mechanism that send 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, making it the perfect 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 flooring applications. Green Polyurethane™ also provides the first sound solution to the environmental and health hazards associated with isocyanates in polyurethane. 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, it removes all the health risks associated with toxic isocyanates.

Recent Anti-Isocyanate Regulatory Pressure

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) has 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

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