

Cleantek Clears Path for Continued Growth of the First of Its Kind HALO™ Crown Mounted Lighting System

Calgary, Alberta – Dec 15, 2022 – Cleantek Industries Inc. ("**Cleantek**" or the "**Company**") is pleased to provide a further update with respect to the settlement of litigation process regarding the HALO™ crown mounted lighting intellectual property (the "IP"). Cleantek is an innovative provider of patented, clean technology solutions focused on reducing both cost and carbon intensity in the wastewater management and industrial lighting sectors across North America. Cleantek is a publicly traded company listed on the TSX Venture Exchange under the trading symbol CTEK.

Cleantek and its wholly owned subsidiary Apollo are the original innovator of crown-mounted lighting systems with its invention of the HALO™ lighting systems almost a decade ago. Since then, the HALO™ lighting systems have been, and remain, the brightest and most technically advanced crown-mounted lighting systems on the market. HALO™ lighting systems can be configured for any rig and provide superior illumination to any drilling site. Additionally, HALO™ lighting systems are dark sky friendly, reduce operational management, and significantly decrease diesel consumption, decrease air pollution, and lower the risk of spillage of working fluids (oil, diesel, and coolant) by eliminating the need for conventional light towers.

Cleantek and its wholly owned subsidiary Apollo have prevailed in their defense of several lawsuits filed by C-MOR Energy Services™ ("C-MOR™") clearing the path for continued and unfettered growth of the brightest and most technically advanced crown mounted lighting system on the market: the HALO™ lighting system, which as the pioneer has become synonymous with any type of crown mounted lighting system.

On November 20th, 2022, Cleantek and C-MOR entered into a comprehensive settlement agreement that permits Cleantek to operate unfettered by a cross license under C-MOR's crown lighting system patents without a material impact to Cleantek's business. The settlement also allows C-MOR to avoid the mounting threats from Cleantek's earlier patents, which are both invalidating prior art to the later filed C-MOR patents and a bar to sales of C-MOR's infringing products.

In C-MOR's first suit against Cleantek that was dismissed before settlement, Cleantek prevailed against C-MOR's false advertising and patent marking claims when the U.S. District Court for the Western District of Texas, dismissed C-MOR's suit for failure to state claim before Cleantek answered. C-MOR abandoned these claims and did not seek to refile or otherwise pursue false advertising or marking claims against Cleantek.

Instead, C-MOR filed a second lawsuit against Cleantek before the U.S. District Court for the Western District of Texas asserting infringement of U.S. Patent Number 10,976,016 (the "016 patent"). In the meantime, C-MOR also requested a preliminary injunction against Cleantek's

sales of the HALO™ lighting system, which the Texas U.S. District Court Judge summarily denied from the bench.

In responding to the complaint, Cleantek asserted that C-Mor's '016 patent was invalid and/or unenforceable (i) for failure to name a co-inventor, (ii) over the earlier prior art Cleantek patents, (iii) over other prior art and (iv) Cleantek's earlier offers for lease and/or public uses of the first of its kind HALO™ lighting systems. Cleantek also countersued for unfair competition including for C-MOR's attempts to trade off Cleantek's reputation and the superior brightness of the HALO™ lighting systems by picturing a HALO™ on the C-MOR webpage and representing it to be a C-MOR product. Cleantek also countersued for infringement of U.S. Patent Number 11,111,761 (the "761 patent").

After the Court's claim construction ruling, C-MOR narrowed its infringement claims to cover only a small fraction of HALO™ lighting systems which severely limited any possible damages C-MOR could expect to receive under a successful suit. Cleantek also voluntarily dismissed the '761 patent, and indicated its intent to appeal the ruling to the U.S. Court of Appeals for the Federal Circuit upon completion of the '016 patent infringement action filed by C-MOR. The Texas U.S. District Court Judge has since vacated all claim construction rulings regarding the '761 patent rendering them null and void.

This '016 patent infringement action was scheduled for trial at the end of October 2022, after a scheduled hearing on Cleantek's several summary judgment motions to dismiss the '016 patent in its entirety. The settlement allowed C-MOR to avoid both the summary judgment hearing and trial.

Shortly before the pretrial in the '016 patent infringement action, Cleantek's U.S. Patent No. 11,391,121 (the "121 patent") was issued, and Cleantek asserted it against C-MOR and sought a preliminary injunction before the U.S. District Court for the Western District of Texas. After filing the first two actions against Cleantek in Texas, C-MOR prematurely filed a separate declaratory judgment action in Wyoming seeking to avoid Apollo's '121 patent infringement action before the Texas U.S. District Court. Cleantek moved to dismiss this Wyoming action as improper for a variety of reasons, and the settlement allowed C-MOR to avoid responding to this motion to dismiss.

With the path clear, CleanTek will continue to improve its top of the line technology, its HALO™ lighting systems as well as other innovations for use in the oilfield and related industries, including dehydration technology of ZeroE™, while expanding its network of customers across North America. Cleantek projects continued strong growth and earnings in 2023.

More information about CleanTek is available at: <https://cleantekinc.com>.

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