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MCW Energy Group Executes Definitive Agreements to Sell MCW Fuels and Convert Debt to Shares

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MCW Energy Group Limited ("MCW") (TSX VENTURE:MCW)(OTCQX:MCWEF), a Canadian holding company involved in the creation of oil sands extraction technology, through MCW Oil Sands Recovery, LLC, announces the execution of a definitive agreement to sell all of the membership interests of its indirect wholly-owned subsidiary, MCW Fuels, LLC ("**MCW Fuels**") to Aleksandr Blyumkin, a Director and Chairman of the Board of MCW.

Concurrently with the proposed closing of the sale of MCW Fuels, pursuant to an executed definitive debt conversion agreement, MCW Fuels would convert its unsecured demand no interest promissory note in the amount of US\$5,685,057 due from MCW (the "**Intercompany Loan**") into 9,200,000 common shares of MCW ("**MCW Shares**") at a deemed price of CDN\$0.74 per share (the "**Debt Conversion**"). The Intercompany Loan was advanced in dozens of tranches over the last three years by MCW Fuels to the Issuer for use by the Issuer on developing its oils sand extraction technology and plant in Utah. The MCW Shares issued in satisfaction of the indebtedness will be subject to a four month statutory hold period from the date of issuance as well as a US restrictive legend. Following completion of the issuance of the 9,200,000 MCW Shares, assuming no other MCW Shares are issued, MCW will have a total of 59,459,515 MCW Shares issued and outstanding.

Closing of the transactions (the "**Proposed Transactions**") contemplated by the definitive agreements is subject to the approval of the TSX Venture Exchange (the "**Exchange**"). As part of its application for Exchange approval, MCW is seeking written consent from a majority of disinterested shareholders (excluding the 5,521,051 votes held, directly and indirectly, by Mr. Blyumkin) approving the Proposed Transactions.

A shareholder consent form has been filed under MCW's profile on SEDAR (www.sedar.com) and MCW requests shareholders to review, and, if found acceptable, sign and return the consent form as indicated in the form.

MCW Fuels

As previously announced on April 23, 2015, MCW Fuels sold its fuel supply and

distribution agreements for all of its branded and unbranded gas stations and certain related liabilities earlier this year. The transaction was approved by the shareholders of MCW on March 6, 2015 with 99.97% of votes cast voting in favour. MCW Fuels currently has outstanding liabilities in the amount of approximately US\$10,077,000, approximately 90% of which is owed to refineries and a senior bank lender. However, other potential liabilities resulting from winding down of operations may surface in the future. MCW Fuels assets include (i) the Intercompany Loan, (ii) a gas station in Thousand Oaks, California, which is currently in escrow for sale for US\$2,100,000, the proceeds of which will be used to pay all the mortgage holders on the station and the state water board, which also has a historic lien on the station, leaving approximately US\$95,000 left over which will be used to pay down creditors, and (iii) accounts receivables of approximately US\$2,100,000 which to date MCW Fuels has been unsuccessful in collecting and it is likely that close to 80% of this amount will have to be written off as bad debt. Under California law, shareholders of a parent corporation (that is, MCW) may be liable to creditors of a subsidiary (that is, MCW Fuels).

Proposed Transactions

Mr. Blyumkin is already a personal guarantor on over 90% of the MCW Fuels' outstanding liabilities and he is also a shareholder of MCW. He is proposing to purchase MCW Fuels from MCW in exchange for (i) an indemnity in favour of MCW from any and all liabilities that may arise as a result of MCW prior ownership and operation of MCW Fuels (the "**Indemnity**"), and (ii) Debt Conversion.

The Proposed Transactions are anticipated to benefit MCW by (i) significantly decreasing, if not eliminating, MCW's exposure to liability from creditors of MCW Fuels as result of the Indemnity, (ii) at a time when it does not currently have US\$5,685,057 and would prefer to use available funds on its oil sands production facility, MCW will convert the Intercompany Loan (US\$5,685,057) into MCW Shares, and (iii) allow MCW to pursue new investment opportunities which are currently not available as a result of investor concern over MCW's exposure to MCW Fuels' liabilities.

Mr. Blyumkin currently holds, directly and indirectly, 5,521,051 MCW Shares (11.0% of the issued and outstanding MCW Shares) and the power to exercise control or direction over an additional 571,429 MCW Shares on the exercise of share purchase warrants (12.0% of the issued and outstanding MCW Shares including exercise of the warrants).

Upon completion of the Debt Conversion, Mr. Blyumkin would hold, directly and indirectly, 14,721,051 MCW Shares (24.8% of the issued and outstanding MCW Shares) and the power to exercise control or direction over an additional 571,429 MCW Shares on the exercise of share purchase warrants (25.3% of the issued and outstanding MCW Shares including exercise of the warrants).

In addition, pursuant to a share purchase agreement (previously disclosed by Mr. Blyumkin in Early Warning Reports and News Releases) (the "**Blyumkin Trust Purchase**"), Mr. Blyumkin agreed to acquire an additional 1,595,525 MCW Shares, and warrants exercisable for 428,571 MCW Shares, indirectly through the Alex and Polina Blyumkin Family Trust (the "**Blyumkin Trust**").

Upon acquisition of the 1,595,525 MCW Shares and warrants exercisable for 428,571 MCW Shares, Mr. Blyumkin would hold, directly and indirectly, 7,116,576 MCW Shares (14.2% of the issued and outstanding MCW Shares) and the power to exercise control or direction over an additional 1,000,000 MCW Shares on the exercise of share purchase warrants (15.8% of the issued and outstanding MCW Shares including exercise of the warrants).

Upon completion of the Debt Conversion and Blyumkin Trust Purchase, Mr. Blyumkin would hold, directly and indirectly, 16,316,576 MCW Shares (27.4% of the issued and outstanding MCW Shares) and the power to exercise control or direction over an additional 1,000,000 MCW Shares on the exercise of share purchase warrants (27.7% of the issued and outstanding MCW Shares including exercise of the warrants).

Mr. Blyumkin is an officer and director of MCW thereby making each of the Proposed Transactions a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The Proposed Transactions are exempt from the formal valuation approval requirements of MI 61-101 as none of the securities of MCW are listed on a prescribed stock exchange. The Proposed Transactions are exempt from the minority shareholder approval requirements of MI 61-101 as at the time the transactions were agreed to, neither the fair market value of the transactions, nor the fair market value of the consideration for, the transactions, insofar as it involves interested parties, exceeded 25% of MCW's market capitalization.

About MCW Energy Group Limited

MCW is a Canadian, publicly-traded company which is focused on the development and implementation of (i) proprietary, environmentally-friendly oil sands extraction technologies and remedial project solutions, (ii) worldwide joint venture and licensing of oil sands opportunities with governmental and private industry entities within countries possessing extensive oil sands/shale deposits. MCW's management team is comprised of individuals who have extensive knowledge in both conventional and unconventional oil and gas projects and production, as well as refinery and fuel distribution experience.

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties, including the closing of one or both of the Proposed Transactions. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release, include, but are not limited to the commercial viability of the technology and the extraction plant, economic performance and future plans and objectives of MCW, and the commercial production of oil from MCW's oil sands extraction plant in Asphalt Ridge, Utah. Any number of important factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although MCW believes that the expectations reflected in forward looking statements are reasonable, they can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, MCW

disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact Information

MCW Energy Group Limited
Paul Davey
Communications
(800) 979-1897 (Ext. 3)
Cell: (778) 389-0915
pdavey@mcwenergygroup.com