

Achates Power Endorses EPA Greenhouse Gas Emissions Standards

With Achates Power Opposed-Piston Engine, OEMs can already meet 2027 goals

SAN DIEGO — August 16, 2016 — Achates Power has endorsed the Environmental Protection Agency's (EPA) standard, released today, on "Greenhouse Gas (GHG) Emission and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles – Phase 2" to be in effect for model years 2017-2027.

"We applaud the EPA, NHTSA and CARB for listening to public and industry input and raising the GHG emissions standards. This new rule will spur continued innovation in the transportation sector," said David Johnson, president and CEO, Achates Power. "We've seen again and again that regulation is useful – perhaps even essential – to drive the industry to embrace innovative technology to improve fuel economy, reduce petroleum consumption, and reduce greenhouse gas emissions."

The new Phase 2 regulation includes a further reduction, to 5 percent, in the fuel consumption and CO₂ emissions of engines compared to Phase 1. This new standard will spur additional innovation, encouraging the development and deployment of existing and advanced cost-effective technologies for a new generation of cleaner, more fuel efficient commercial trucks.

Medium- and heavy-duty vehicles currently account for about 20 percent of GHG emissions and oil use in the U.S. transportation sector, but are only about 5 percent of the vehicles on the road, according to a recent white paper by the clean transportation trade group, CALSTART. Changes to the GHG regulations will have a wide-ranging and positive impact on the environment and drive increased adoption of fuel savings technology. CALSTART found that American companies that develop and manufacture high-efficiency, low-carbon technologies for big trucks, buses and other large vehicles are ready to meet upcoming new national standards for fuel efficiency in medium- and heavy-duty vehicles.

"Challenging standards, like the GHG II regulations, help to drive American innovation and provide benefits for both consumers and innovators," Johnson continued. "These mandates can be met with the adoption of the clean, efficient and cost effective opposed-piston engine, which will be the baseline engine for the industry moving forward."

The Achates Power OP Engine, demonstrated through more than 7,000 hours of dynamometer testing, addresses these new standards by offering proven advantages over conventional engines in cleanliness, fuel efficiency, as well as a cost and weight reduction.

"By supporting 12 leading OEMs as they develop Opposed-Piston Engines for their applications including announced projects with Fairbanks Morse Engine, US DOD, US DOE and leading car and truck OEMs around the world, we are providing the foundation for the future of clean, efficient and cost-effective advanced engine technology," said Johnson.

Achates Power Inc.

Achates Power Inc. has developed radically improved internal combustion engines that increase fuel efficiency, reduce greenhouse gas emissions and lower costs. Founded in 2004 with the mission to build cleaner, more efficient engines, the San Diego-based company has an

experienced staff of engineers and scientists focused on applying their proven technical know-how and expertise, coupled with the industry's leading-edge testing, simulation and analysis tools. It is backed by top private equity firms Sequoia Capital Partners, RockPort Capital Partners, Madrone Capital Partners, InterWest Partners and Triangle Peak Partners. For more information, visit www.achatespower.com, www.facebook.com/AchatesPowerInc, www.twitter.com/achatespower and www.youtube.com/achatespowerinc.

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