

ENER-CORE

A New Opportunity to Profit From Industrial Waste Gas

Irvine, California-based **Ener-Core, Inc. (OTCQB: ENCR)** owns and licenses its proprietary Power Oxidation technology, which has already been commercially deployed and generates base load, clean power from polluting waste gases including methane. Ener-Core's patented Power Oxidizer turns one of the most potent pollution sources into a profitable, "always on" source of clean energy. Ener-Core's technology offers an alternative to the flaring (burning) of gaseous pollution while generating operating efficiencies and reducing the costs of compliance with environmental regulations. Ener-Core offers the 250kW Ener-Core EC250 and the larger, 2MW Ener-Core Powerstation KG2-3GEF/PO. Growth outlook supported by 10-year license agreement with Fortune Global 100 partner with estimated minimums of \$4 million in annual licensing fees to retain exclusivity for worldwide rights to 1-4 MW systems.

Investment Highlights

- **Proven management team** with combined 120 years experience in power, oil and gas sectors completed two-year turnaround of business model from **asset heavy to asset light**.
- Licensed Sales & Manufacturing to **Fortune Global 100 partner** in Q2 2016.
- **World's first disruptive technology for pollution abatement** in CHP facilities converting industrial air pollution into monetizable power.
- **Technology** addresses a \$50 billion global industrial equipment market across multiple sectors.
- **Strong growth outlook** in diverse and emerging regional markets.
- **Highly-Scalable Licensing Model** accelerates global rollout and expected cash flow positive operations in early 2018.

First License Agreement

- On June 30, 2016 - Entered into first commercial & manufacturing license agreement with Fortune Global 100 company, Dresser-Rand business, part of Siemens Power and Gas Division.
- Licensee will manufacture and sell the Power Oxidizers (integrated with their 2 MW KG2 gas turbine) directly to industrial customers.
- Enables Ener-Core to reduce its manufacturing infrastructure and lower its operating costs.
- Ener-Core benefits from brand name and global sales force of its licensee.
- Ener-Core collects a license fee payment for each unit Dresser-Rand business sells.
- Manufacturing to begin by end of 2016 with initial sales occurring within calendar year 2017.
- Exclusivity (1-4 MW) = minimum sales thresholds beginning in 2017; Enable Ener-Core to achieve cash-flow positive status by Q1 2018.

DRESSER-RAND
A Siemens Business



Corporate Overview

Ener-core's "Power Oxidation" Technology Enables Industrial Companies To Convert A Liability (Air Pollution) Into Monetizable, Clean Utility-Grade Power

- **New solution** for industrial customers = profitable compliance with increasingly stringent air quality laws.
- New **utility-scale** design; recently completed scale-up to 2 megawatt power capacity.
- Technology protected by extensive **IP portfolio**.
- **New Licensing Model** accelerates global rollout and footprint; first global license granted to Fortune Global 100 company.

Market Opportunity - Combined Heat & Power

Combined Heat and Power (CHP) is an efficient and clean approach to generating electric power and useful thermal energy from a single fuel source

- CHP accounts for 11% of global power production today and projected to grow to 24% by 2030.
- Market Drivers Contributing to Current CHP Growth:
 - Lower energy operating costs
 - CHP-friendly environmental regulations
 - Resiliency initiatives
 - Federal and state policies and incentives
 - Reduced demand on utility grid
 - Project replicability

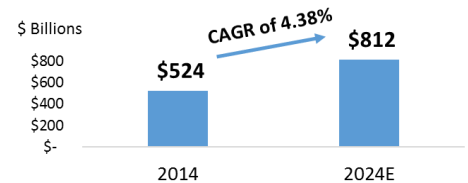
The United States has potential for more than 240 gigawatts (GW)¹ of efficient CHP in industrial facilities and commercial buildings at over 291,000 sites.

Financial Highlights

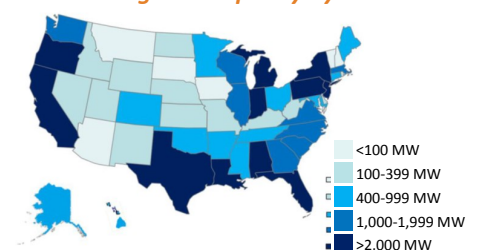
OTCQB	ENCR
Share Price (11/25/16)	\$3.00
Market Cap (11/25/16)	\$11.5 M
Shares Outstanding	3.8 M
Pro Forma Cash ¹	\$4.6 M
Global Patent Portfolio	41 Issued 29 Pending

(1) Pro forma 9/30/16 cash balance includes restricted cash and cash proceeds from November 2016 \$4.4 million convertible senior secured debt financing announced on November 23, 2016

Global CHP Installation Market²



Existing CHP Capacity by State¹



1: U.S. Department of Energy CHP Installation Database 2. May 2016 Transparency Market Research Report

The Ener-Core Solution

Ener-Core's "Power Oxidation" technology is an alternative to combustion, and enables traditional systems (gas turbines, boilers, dryers, etc.) to produce heat and power from low-quality waste gases that would previously require disposal or 'flaring'

Combustion is:

- The burning of high quality fuels, in a flame with intense heat with very short reaction times
- Often leads to pollution and the generation of nitrogen oxides or NOx
- Unable to use most industrial waste gases as a fuel, due to fact that those gases have either a low-BTU value and/or are contaminated with other ingredients that cause harm to the combustion equipment



Power Oxidation is:

- Generation of energy by stimulating reaction of waste-gas molecules with air in a controlled environment
- Occurs in 0.5 – 1.25 seconds (slower than combustion)
- Feasible for gases having ultra-low fuel concentrations
- Feasible for gases with high grades of contaminants
- Has no flame and generates no pollutants due to complete oxidation and avoidance of NOx formation



Combined Heat & Power + Power Oxidizer

Problem: Today's 'industry standard' in situ combustion chambers prevent a gas turbine from being able to operate on low-quality waste gases - thereby missing a multi-billion dollar opportunity to generate clean power from waste gases.

Ener-Core's disruptive Power Oxidizer enables the conversion of "free" industrial waste gases (Air Pollution) into Clean Power.

Solves Two Problems

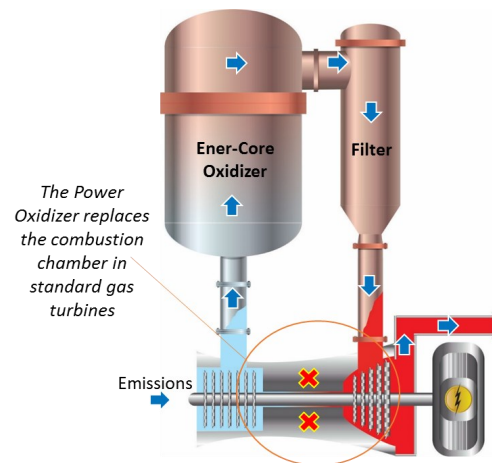
1. Removal of waste gases into the air
2. Compliance with air quality laws

Creates Two Savings

1. Reduces purchased energy expenditures
 - New free fuel input for on-site power
2. Pollution abatement savings – NOx Credits
 - Economic & environmental cost savings



Solution: Ener-Core Power Oxidizer



Power Oxidizer Benefits

Economic	Environmental	Operational
<ul style="list-style-type: none"> • Turns waste gas into a free-fuel resource for generating power • Reduces overall operating expenses by 5% - 20% • Immense advantage for cost sensitive commodity industries • Hedge against volatility of energy prices 	<ul style="list-style-type: none"> • Avoids fines from global pollution control mandates • Substantially reduces air emissions • Designed to achieve Lowest Achievable Emission Rate (LAER) for several major air pollutants (NOx , CO, VOC, PM2.5) 	<ul style="list-style-type: none"> • No chemicals or catalysts used (no urea or ammonia) for emissions control • Mechanically simple: No actuating parts • Little or no fuel conditioning may be required

Targeted Industries & Potential Applications

Oil & Gas	>600 U.S. facilities
Ethanol Plants / Distilleries	>500 U.S. facilities
Coal Mines	>1,000 U.S. mines
Rendering & Animal Processing Byproducts	>600 U.S. facilities
Aerospace & Defense; Semiconductor & Electronics Manufacturing	>2,200 U.S. facilities

Worldwide: \$50 Billion Industrial Equipment Market

United States: \$10+ billion in ~15 vertical markets



Digesters



Landfills



Food Processing



Chemicals

Contact

Ener-Core, Inc.
9400 Toledo Way
Irvine, CA 92618
Office: 949-616-3300
ENCR@mzgroup.us
www.ener-core.com

Investor Relations Contact

Chris Tyson
Managing Director
MZ North America
Main: 949-491-8235
chris.tyson@mzgroup.us
www.mzgroup.us