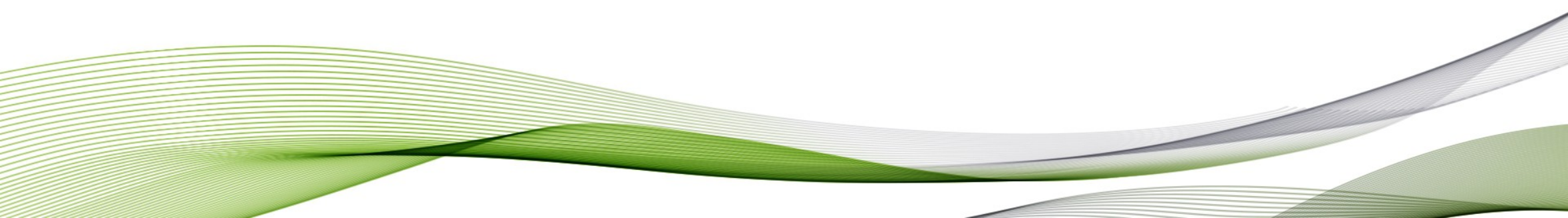
Investor Presentation

Second Quarter 2017



Forward-looking Statements

Certain statements in this presentation may constitute "forward-looking" statements within the meaning of applicable securities laws. This forward-looking information includes, but is not limited to, the expectations and/or claims of management of Xebec with respect to information regarding the business, operations and financial condition of Xebec. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xebec or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements use words like "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "will" and other similar terminology. This list is not exhaustive of the factors that may affect forward-looking information contained in this presentation. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Forward-looking statements involving significant risks and uncertainties should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements.

Confluence of History

- Montreal is turning 375 this year. From a Mission named Ville Marie, founded in 1642, Montreal was born, but officially incorporated only in 1832
- In 1867, the Province of Canada was joined with two other British colonies, New Brunswick and Nova Scotia through Confederation and Canada was born, celebrating its 150 birthday this year
- Xebec was founded in 1967 in Sainte Therese, north of Montreal, as an air dryer company. The founder wanted a name that could easily be found in the Yellow Pages, and he wanted a connection to Quebec. He found the name Xebec in the dictionary, fulfilling these requirements. Coincidentally a “Xebec” was a type of Mediterranean sailing ship used for trading. Sailing being a very environmentally friendly form of transport.

montréalive375

CANADA 150
1867-2017

Who We Are Today

- Xebec today is a gas generation, purification and filtration company that develops, designs and manufactures gas purification products and technology solutions for environmentally responsible applications in industry, transportation and the public sector.

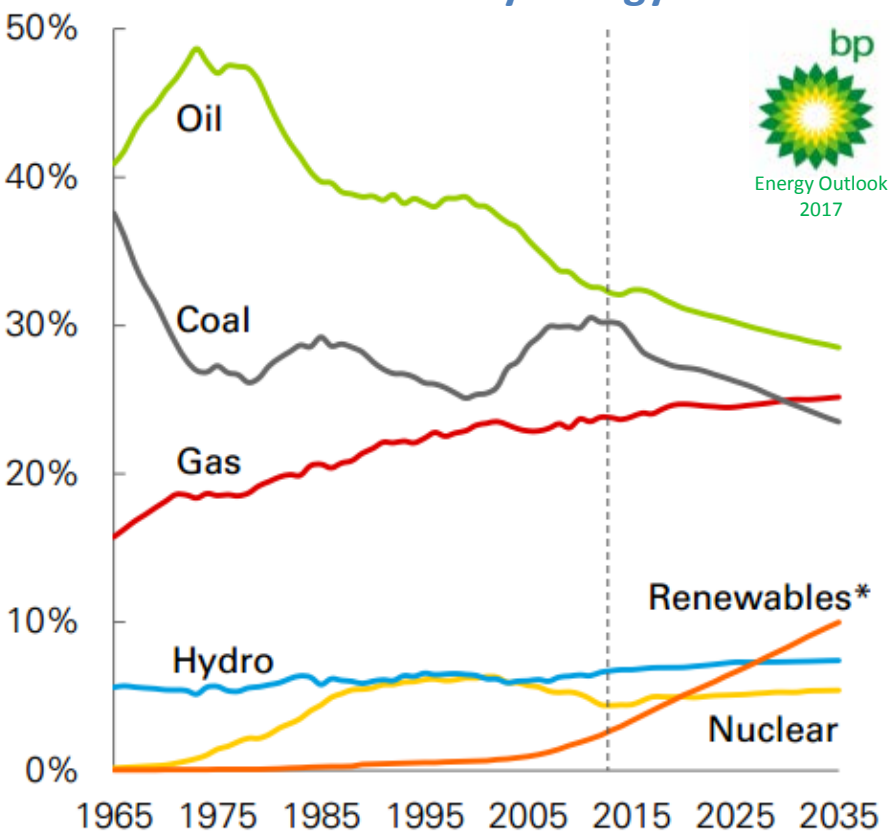
- Xebec is a technology leader in adsorption technology with more than 9,000 units deployed worldwide to over 1,500 clients

Key Investment Considerations

- Strong **visibility on significant profitable and sustainable revenue growth** across several market verticals
- **Significant recurring revenue model** from 9,000 existing installations that require ongoing parts and service - creates foundation for near term profitability
- Proven track record and **leading proprietary technologies** across all product lines – over $60M invested in technology development
- Strategically positioned in the **fast growing renewable energy** sector
- New membrane technology allows entry into **lucrative upstream oil and gas** market
- Respected and internationally **recognized with global base** of over 1,500 leading customers
- **Worldwide sales & distribution** network
- **Strong R&D** department and team

Macro Business Drivers

Share of Primary Energy



bp Energy Outlook 2017

* Renewables includes solar, wind, geothermal, biomass, and biofuels

Specific Business Drivers

- Increasing demand for small scale **decentralized hydrogen production** and purification solutions for fuel cell applications in transport and power generation – high purity, small footprint
- **Increased demand for renewable natural gas (RNG)** as a low carbon fuel (advanced bio-fuel) in both Europe and North America, complementing solar and wind in fulfilling renewable Energy goals worldwide
- Upstream gas producers need to improve financial performance through a **reduction in OPEX** while implementing environmentally friendly and cost efficient natural gas purification solutions
- Companies wanting to reduce bottlenecks and delays due to capacity, performance and regulatory constraints are **replacing outdated amine plants**
- **Increasing demand for Compressed Air and Gas equipment** across the food & beverage, medical and pharma industries that can deliver **cleaner, purer, oil-free, dry and sterile compressed air**

Our Products

Xebec products include:

- Hydrogen Purification Systems for industrial, petrochemical and fuel cell applications
- Biogas purification to renewable natural gas (RNG) from agricultural digesters, landfill sites and waste water treatment plants
- State-of-the-art CO_2 removal from Natural Gas
- Natural Gas Dryers for Natural Gas Vehicles refueling stations
- Energy-efficient Compressed Air and Gas Purification equipment & best-in-class Compressed Air and Gas Filters for a broad range of industrial and transportation applications

Our Customers

LUKOIL OIL COMPANY

ENBRIDGE

GazMétro la vie en bleu

encana natural gas

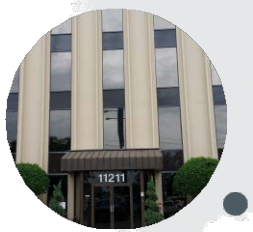
PetroChina

ExxonMobil

FORTIS BC™

PERTAMINA

Internationally Recognized



Montreal, Quebec, Canada

Austria

France

Italy

Houston (TX)

Shanghai

Singapore

- Headquarters in Montreal, Quebec, Canada
  Manufacturing and Sales
- R&D in Montreal, Quebec, Canada
- Sales & Engineering Office in Houston, Texas
- Manufacturing and Sales in Shanghai
- Sales & Engineering Office in Brescia, Italy
- Sales Partners in Singapore, France, Austria, South Korea

Xebec is globally represented with more than 1,500 customers and 9,000 installations worldwide

Business Segments & Products

Clean Technology

Renewable Natural Gas, Hydrogen & Renewable Hydrogen

Oil and Gas Processing

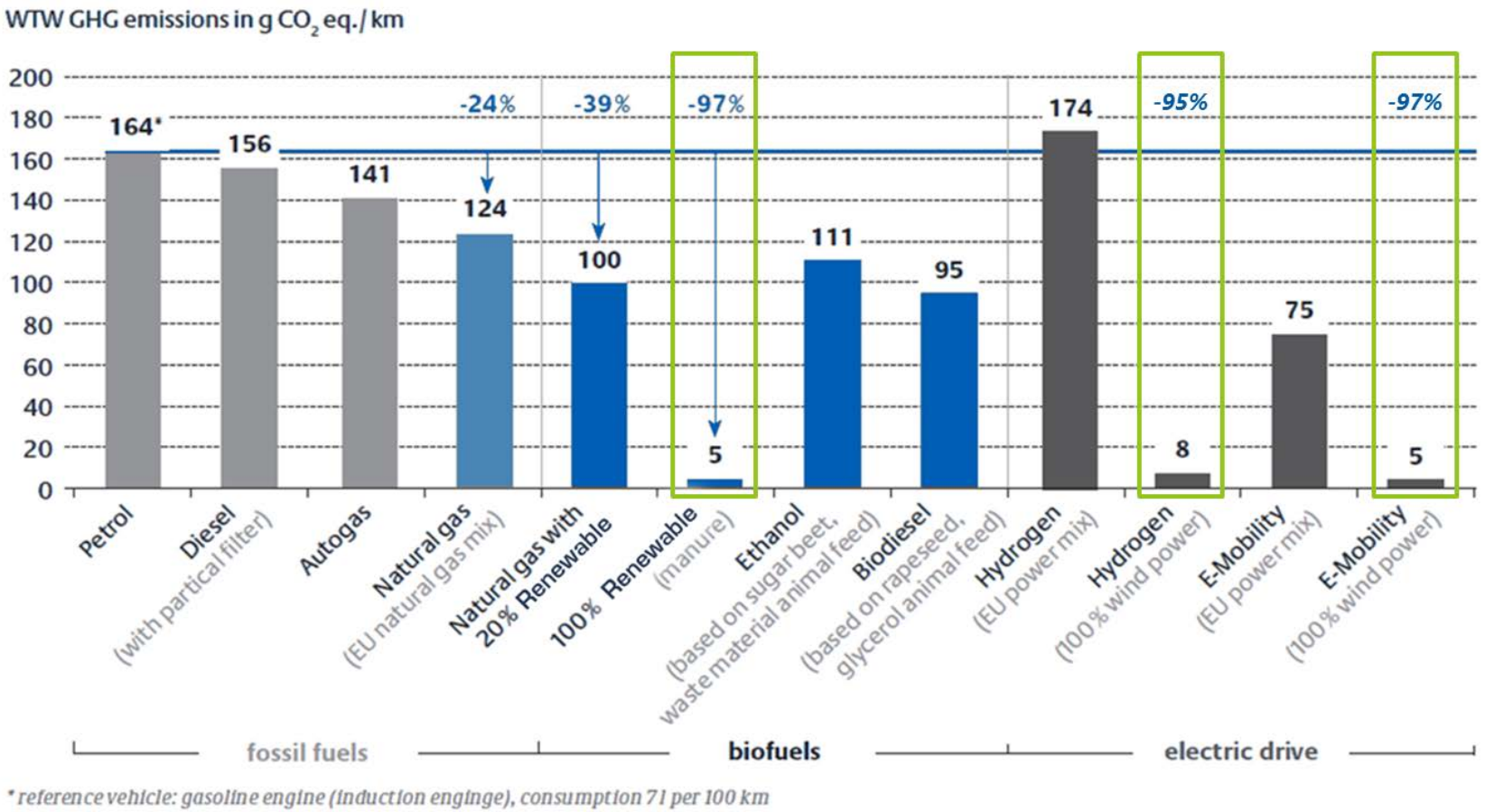
Natural gas purification and CO_2 removal via Membranes

Industrial Compressed Air & Gas Treatment

Industrial purification equipment, parts & service

Clean Tech - Renewables & Hydrogen

Renewable Natural Gas & Hydrogen
The Opportunity



*reference vehicle: gasoline engine (induction enginge), consumption 7 l per 100 km

Source: NREL - Renewable Hydrogen Potential from Biogas in the United States, 2014
Department of Energy - https://energy.gov/eere, German Energy Agency, http://www.zevstates.us

Clean Tech - Renewables & Hydrogen

- Opportunity is driven by government incentives as well as regulations to curb CO2 emissions
- 25 recent RNG projects completed, while over 200 Hydrogen purifiers are currently operating with more coming on stream in 2017
- Strong quote/order book for 2017; several signed purchase orders for 2017 to date and a solid order pipeline into 2018 and 2019
- Expansion of clean natural gas refueling infrastructure both in the U.S. and Canada, combined with renewable natural gas as a transportation fuel, are gaining traction
- A win-win business model: offer core technology for partners to develop and serve local markets while Xebec drives aftermarket revenue with its proprietary technology

Clean Tech - Product Lines

We offer a full suite of proprietary technology products in the following categories:

- Biogas to renewable natural gas
- Hydrogen purification systems
- Natural gas dehydration units for refueling stations
- Solutions for the generation of renewable hydrogen (RH_2) including associated filtration & separation products

Growing interest in Canada and the U.S. with a growing number of projects in advanced negotiation (Carbon Credits/Trading)

Renewable Natural Gas & Hydrogen Market Size

Renewable NG

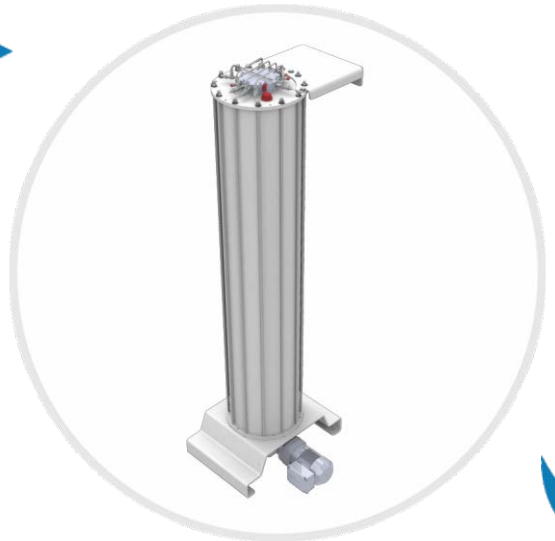
- Xebec has an 11% global market share, 25 finalized projects and 21 on-going projects in the emerging RNG category
- Xebec estimates a 15% global market share in RNG by 2020
- The global RNG upgrading market will be worth an estimated $4B by 2025 or $350MM annually, with a CAGR of 26.9%
- Renewable Energy Directive (RED) in Europe offers significant market opportunities in France, Italy and Germany

Renewable H_2

- Annual production of Fuel Cell Electric Vehicles (FCEVs) is forecast to reach 50,000 per year by 2025
- FCEVs in transportation are forecast to increase to 250,000 by 2027 (0.1% of the U.S. vehicle population).
- Each FCEV requires about 0.5 kg of hydrogen per day; about 125 tons/day total by 2027 (30% legislated to be RH_2 in California)
- The market for renewable hydrogen is expected to grow to ~$365 million annually by 2027 (currently ~$30 million/year)

Solution: Clean Technology – Hydrogen Purification

Client:
Nuvera



Hydrogen Purifiers

Hydrogen Forklift Truck
Refueling Station

Solution: Clean Technology – Biogas to RNG Purification

SoCalGas
A Sempra Energy utility

Client:
Sempra Utilities

Biogas
Upgrading Plant

Gas Pipeline
(Southern California)

Oil & Gas Processing

Oil & Gas Processing

- Xebec has introduced polyimide hollow fiber membranes to the upstream natural gas market for CO_2 removal. These membranes are highly efficient and superior to amine systems and to cellulose acetate membranes
- Field tests are completed – positive results have led to first sales
- Xebec can offer customers complete membrane-based natural gas processing systems, including pre and post-treatment options

Field Treatment

Offshore

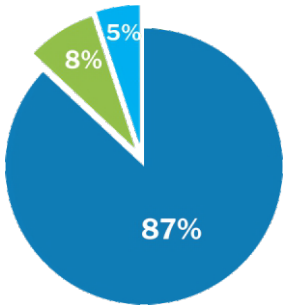
Gas Processing Plant

Membrane change out and installation of Xebec hollow fibre polyimide membrane

Oil & Gas Processing

- Amine treatment plants currently account for ~87% market share of acid gas removal (mainly CO_2) systems
- Membrane technology accounts for only ~8% market share at the moment, with other technologies such as cryogenic separation and adsorption accounting for the remaining 5%
- Polyimide hollow fiber membranes are superior to the cellulose acetate membranes in use today and are designed for interchangeability with existing systems

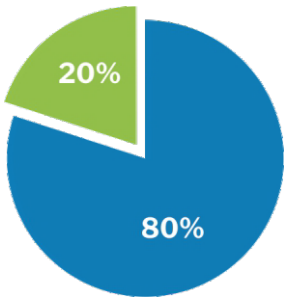
There is a huge breakthrough potential on two fronts:



1) Sales to interchange amine scrubbers for hollow fiber membrane Technology

- Amine Scrubbers
- Membranes
- Others

Market Share by Technology



2) Sales to interchange cellulose acetate membranes for hollow fiber membranes

- Cellulose Acetate
- Polyimide & Others

Market Share by Membrane Material

Solution:
Oil & Gas Processing

Client:
Consol Energy

Membrane Technology
CO_2 - Sweetening

Pipeline Injection

Industrial Compressed Air & Gas

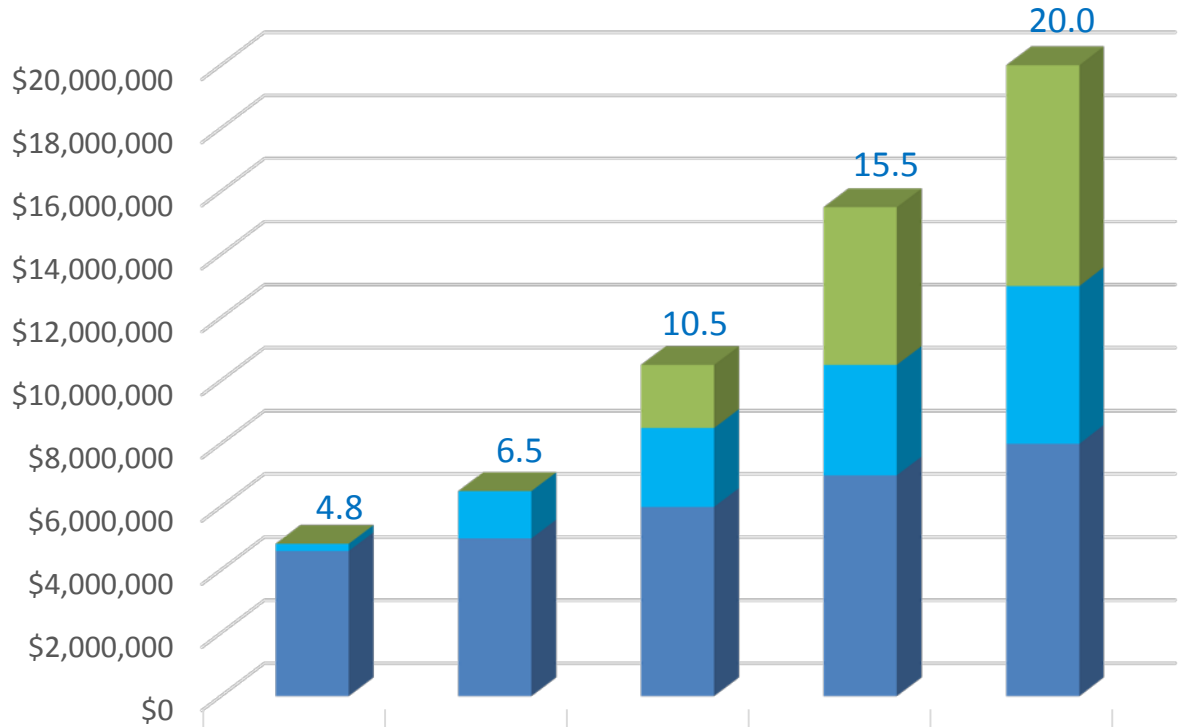
Industrial Compressed Air & Gas

- A historically high margin business that creates a significant recurring revenue base from sales of parts and service to over 9,000 currently operating global installations. Looking forward, we will likely be in the mid 50's in gross margin
- Xebec has invested heavily over the last few years in product development of additional purification products that can be sold to existing and new customers
- Xebec has established a roll-up strategy focused on acquiring small to mid-sized Compressed Air and Gas service businesses ($3-5M revenue) throughout Ontario, Alberta and BC to create the leading national coverage air & gas treatment business
- Xebec is the **only** Canadian manufacturer of adsorption and membrane systems with a full product portfolio and all necessary Canadian Provincial certifications (CRN, CSA etc.) and is well positioned for growth

Industrial Compressed Air & Gas

- Expansion of Air Treatment Equipment Sales up to 2020 due to increased product offerings
- Acquisitions (roll-ups) starting in 2018, with revenues totaling 10 mil. to 15 mil. by 2020, complementing organic growth
- Canadian market size for Xebec products approx. CDN$ 60 to CDN$ 70 million, of which Xebec currently has a 5% market share, with a market share target of 30% by 2020

PROJECTED SALES GROWTH TO 2020



	2016	2017	2018	2019	2020
Acquisitions	$0	$0	$2,000,000	$5,000,000	$7,000,000
Capital Equipment	$230,000	$1,500,000	$2,500,000	$3,500,000	$5,000,000
Aftermarket	$4,600,000	$5,000,000	$6,000,000	$7,000,000	$8,000,000

Solution: Industrial Compressed Air and Gas Treatment

Client:
Hydro Quebec

High Pressure
Compressed Air Dryers

Supporting Hydro
Quebec's LG4 Plant

Solution: Industrial Compressed Air and Gas Treatment

Client:
Honda

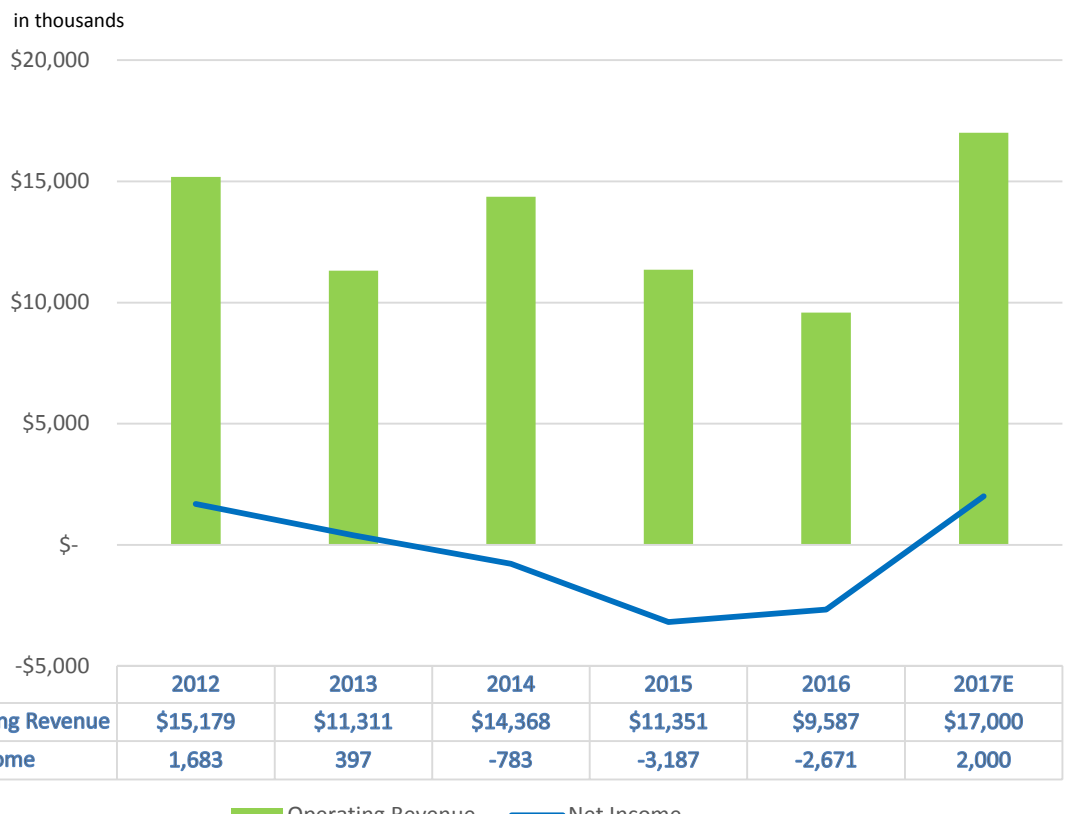
Xebec Compressed
Air Dryers

Supporting the Honda
Car Plant in Alabama

Financial Review

Looking Back
FY 2017 Forecast

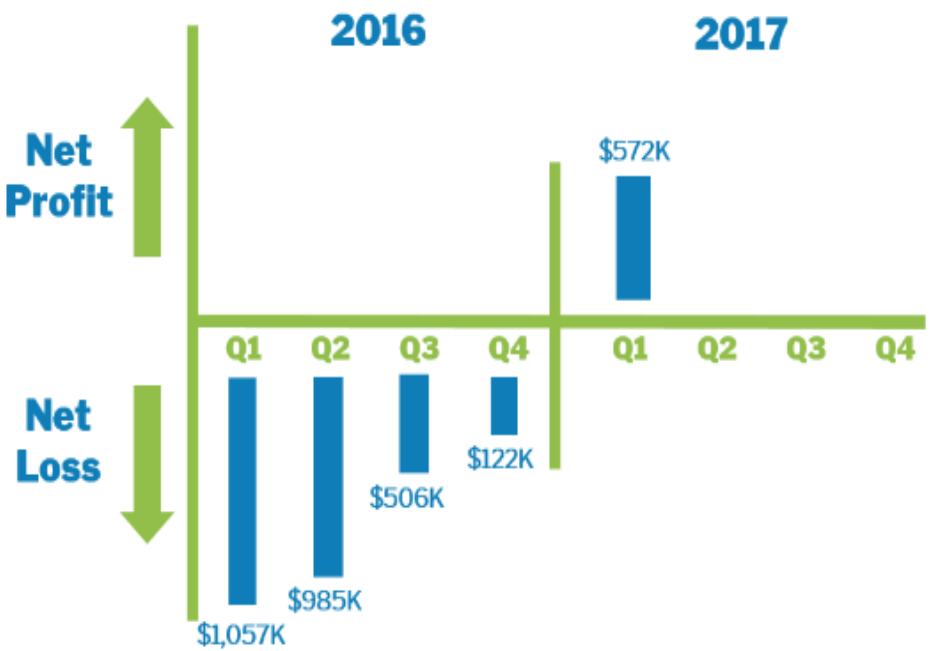
- Moving towards full year profitability
  - Positioned for solid revenue growth of 60% to 80% in 2017 compared to 2016
  - Revenues guidance for 2017 of CDN$ 15 to 17 million
  - Updated EPS guidance for 2017 of CDN$ 0.04 to 0.06
- Repair balance sheet
- Visibility on accelerated growth beyond 2017 from contracts, project pipeline and opportunities



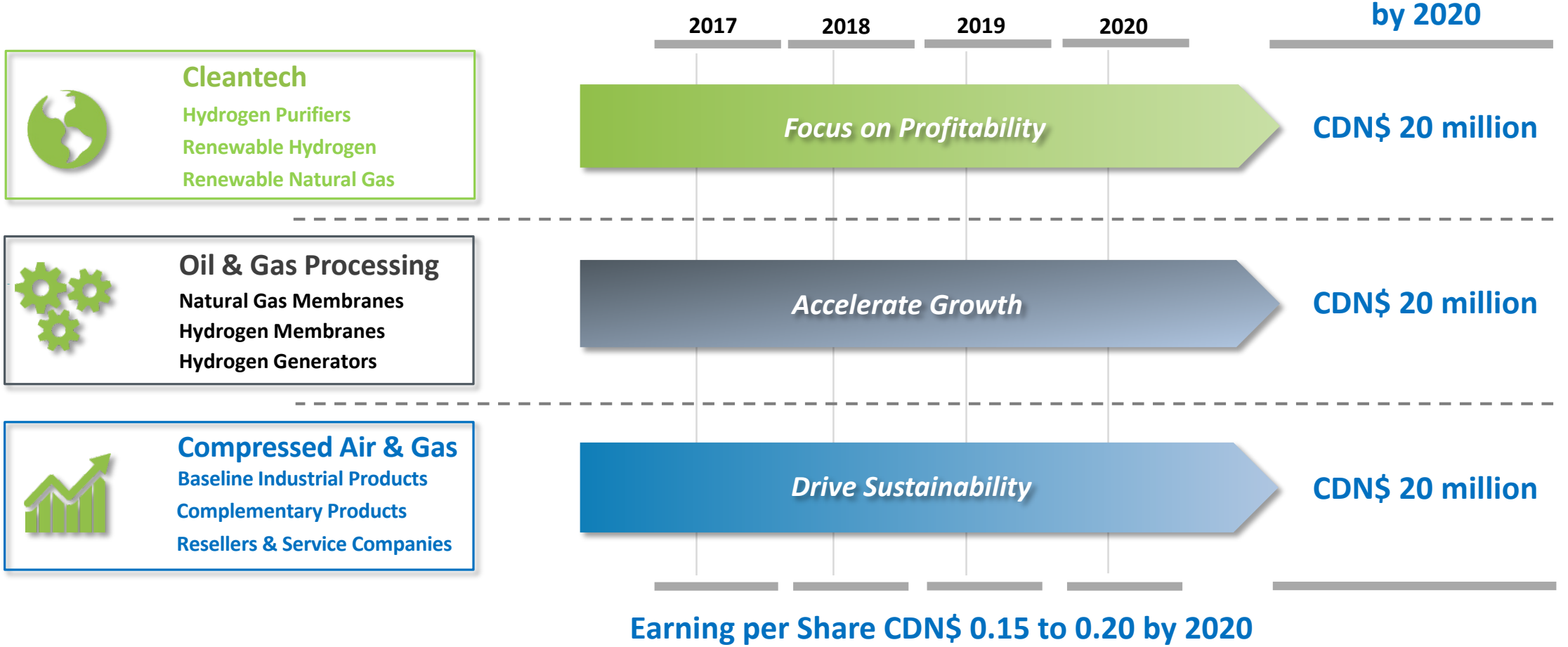
	2012	2013	2014	2015	2016	2017E
Operating Revenue	$15,179	$11,311	$14,368	$11,351	$9,587	$17,000
Net Income	1,683	397	-783	-3,187	-2,671	2,000

On The Road To Success
Q1/17 Results

- Moving towards growth and profitability
  - 5 consecutive quarters of financial improvements
  - Financial Performance Q1/17
    - 35% Revenue Growth
    - 22% EBITDA
    - 17% Net Profit
    - 0.01 EPS
- Order backlog increase from CDN$ 5.7 million in Q1/16 to CDN$ 8.7 million in Q1/17
- Accelerated growth and profitability in Q2/17 from contracts, project pipeline and ongoing opportunities



Looking Forward
Vision 2020



Earning per Share CDN$ 0.15 to 0.20 by 2020

Creating Shareholder Value

WELL POSITIONED

- Strategically positioned in the fast growing natural gas & renewable energy sector
- 3 business verticals include clean tech, oil and gas and industrial compressed air and gas treatment

GROWING MARKET

- Large industry size in the billions globally across Xebec product verticals
- Improving financial margins and performance
- Growing recurring revenues from >9,000 existing installations

WINNING TEAM

- Globally experienced and accomplished Management team and active, participating Board

LARGE R&D INVESTMENT

- Over $60M invested in technology development to date resulting in cutting edge and commercially attractive products

Capital Market Profile

- **Exchange and Ticker Info:** TSXV: XBC
- **Corporate Headquarters:** Montreal, Canada
- **Shares Outstanding:** 40,504,367
- **Shares Fully Diluted:** 53,994,064
- **Stock Price (date):** 0.35 (May 31)
- **52 Week High / Low:** $0.08 - $0.44
- **Market Capitalization on Date:** 14,176,528
- **In Business Since:** 1967
- **Number of Employees:** 75
- **Last Q1 2017 Revenues:** $3.3MM
- **Inside Ownership %:** 23%
- **Institutional Ownership %:** 6%

Management and Board

Management Biographies

Kurt Sorschak – President & CEO

Mr. Sorschak co-founded Xebec Adsorption Inc., and developed it from a local compressed air and gas dryer manufacturer into an internationally active gas purification company. He played an important role in establishing strong relationships with different universities and laboratories in Canada and the US for the development of innovative adsorption and membrane based gas purification and separation solutions for natural gas, hydrogen and renewable derivatives thereof. He is particularly interested in the development and deployment of technologies that will help reduce carbon emissions.

Louis Dufour – Chief Financial Officer (CFO)

Mr. Dufour has more than 20 years of corporate finance and operational experience, most recently as a Partner of CFO Optimum, where he had financial oversight from cost accounting and IT implementation, through risk management, M&A integration, and governmental negotiations. Before that, Mr. Dufour held the role of Vice President, Finance & CFO, for Clifton Star Resources Inc., a mining company in Abitibi

Management Biographies

Dr. Prabhu Rao – Chief Operating Officer (COO)

Dr. Rao was CEO of McPhy Energy North America, a leading manufacturer of equipment that optimizes electricity resources based on a unique hydrogen storage technology, along with technology for hydrogen production by water electrolysis that has been reinvented and perfectly adjusted to the production needs of renewable energy. Dr. Rao holds a Master's and PhD degree in Mechanical Engineering from Drexel University in Philadelphia

Dr. Peter Cheng – General Manager, Xebec China

Over the past 20 years, Dr. Cheng has held various executive positions with ABB, Ontario Power Generation, Hong Kong and China Gas Investment Limited, as well as A.T. Kearney, in the fields of energy business development, strategic planning, and engineering and operations improvement. He holds a Ph.D. in mechanical engineering and an MBA, majoring in finance and strategy. Dr. Cheng is a professional engineer in Ontario, a qualified senior engineer in China, a member of the American Society of Mechanical Engineers, an advisor to the Enterprise Management Committee of the China Gas Association, and an expert in the category of foreign technology and economy in China

Management Biographies

Parag Jhonsa – VP, Business Development, O&G | President Xebec USA Inc.

Mr. Jhonsa brings over 20 years of experience in the energy field in operations, QHSE, business development, engineering, and project and production management. Prior to joining Xebec, he was President and General Manager with ProSep USA Inc. where he led the business unit that provided the oil and gas industry with custom--engineered process equipment system solutions for oil, gas, and water processing and purification. Mr. Jhonsa holds both a Bachelor's and Master's degree in Chemical Engineering

Gary Blizzard – Corporate VP Sales, VP Business Development, Xebec USA

Mr. Blizzard has over 25 years of diverse experience in the energy industry in international business development, marketing, engineering, and project management. In his last position as Executive Vice President of Process Engineering & Product Development with ProSep, he provided strategic guidance for the worldwide process engineering team. Mr. Blizzard holds a Bachelor of Science in Chemical Engineering from Texas A&M University and a Master of Business Administration from The University of Texas in Austin

Dr. Amir Ghasdi – Director, Business Development, Cleantech

Dr. Amir Ghasdi is a leading global expert in the field of gas purification technology. As a chemical engineer, Dr. Ghasdi has more than 12 years of experience in industrial and academic environments in the area of gas separation and purification. He is currently concentrating his efforts on performance improvements in renewable energy (e.g. biogas and renewable hydrogen), from conceptual design through simulation to product implementation.

Board of Director Biographies

Kurt Sorschak – Chairman of the Board

Mr. Sorschak co-founded Xebec Adsorption Inc., and developed it from a local compressed air and gas dryer manufacturer into an internationally active gas purification company. He played an important role in establishing strong relationships with different universities and laboratories in Canada and the US for the development of innovative adsorption and membrane based gas purification and separation solutions for natural gas, hydrogen and renewable derivatives thereof. He is particularly interested in the development and deployment of technologies that will help reduce carbon emissions.

William Beckett – Lead Director

William (Bill) Beckett is the past-President and CEO of Dart Aerospace with extensive operations and executive management experience in the Industrial and Aerospace sectors. He started his career with Canadian General Electric, and continued his professional development with other industry leaders including Pratt & Whitney Canada., gaining strong management and technical skills, including an expertise in Lean Manufacturing. He is a Professional Engineer (Mechanical) and a member of the Order of Engineers of Quebec

Dr. Prabhu Rao – Director

Dr. Rao is currently the Chief Operating Officer of Xebec. He was, until March 2017 the CEO of McPhy Energy North America, a leading manufacturer of equipment that optimizes electricity resources based on a unique hydrogen storage technology, along with technology for hydrogen production by water electrolysis that has been reinvented and perfectly adjusted to the production needs of renewable energy. Dr. Rao holds a Master's and PhD degree in Mechanical Engineering from Drexel University in Philadelphia

Board of Director Biographies

Joseph H. Petrowski – Director

From 2005 through 2013, Joseph Petrowski led the Cumberland Farms Gulf Oil Group, a diversified petroleum and retail convenience store holding company located in 29 states with more than 8,000 employees and $16 billion in annual revenues. Cumberland Farms is the 18th largest private company on the Forbes 500 list. During his tenure as CEO, the company achieved record earnings. After leaving Cumberland Farms, Mr. Petrowski founded Mercantor Partners, a private equity group focused on downstream energy investments. Among other duties, Mr. Petrowski is a member of the Board and non-executive Chairman of Gulf Oil, and advisor to Chairman of Brookwood Financial in Beverly, Ma., a $3 billion private equity firm investing in downstream fueling, real estate and convenience retail. He is also a member of the Board of South Jersey Industries, a publicly traded natural gas utility and national energy merchant; a member of the Federal Reserve Bank of Boston's Advisory Council; a Trustee of both Boston College High School and Trinity Catholic Schools; and he serves on the Board of the Society of Independent Gasoline Marketers. Joseph H. Petrowski, graduated cum laude from Harvard University.

Guy Saint-Jacques – Director

Guy Saint-Jacques joined the Department of External Affairs in 1977. He held office in New York City, Mexico City, Kinshasa, and Hong Kong as well as twice in Washington, D.C., the last time as Minister and Deputy Head of Mission. He has been Deputy High Commissioner at the High Commission of Canada in London, UK, and has been posted three times to Beijing (he speaks fluent Mandarin), where he worked in the Consular Affairs division. In Ottawa he worked in the Francophone Africa division, then in the Science and Technology division and in the Office of the Associate Deputy Minister. He also served as Deputy Director of the Energy and Environment division. Prior to his last posting in China, Guy was Chief Negotiator and Ambassador for Climate Change. His last Public Service posting was as Ambassador Extraordinary and Plenipotentiary for Canada to the People's Republic of China through to October 2016. Since retiring from Public Service, Mr. Saint-Jacques has been working as an adviser. He is a Senior Fellow at the China Institute of the University of Alberta as well as at the Institut d'etudes internationales de Montreal (IEIM). He holds a B. Sc. (Geology), University of Montreal, and a M. A. (Land Planning and Regional Development), Laval University.

Thank you

Kurt Sorschak

President & CEO

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