

NEWS RELEASE - DECEMBER 8, 2020

Pinnacle Renewable Energy Commences Pellet Production at New Mill in High Level, Alberta

VANCOUVER, BC, Dec. 8, 2020 /CNW/ - Pinnacle Renewable Energy ("Pinnacle" or the "Company") (TSX: PL) today announced it has commenced initial pellet production at its newly-constructed facility in High Level, Alberta, which is owned 50% by Pinnacle and 50% by Tolko Industries Ltd. ("Tolko") through a limited partnership.

The High Level Mill (the "Mill") further diversifies Pinnacle's supply base using high-quality wood fibre sourced primarily from Tolko's sawmill in High Level. The Mill has a projected run-rate capacity of 200,000 metric tons per year. Production will be sold through Pinnacle's contracted backlog of long-term, take-or-pay off-take contracts.

"We are pleased to have achieved this milestone at High Level. The Mill has exceeded expectations through its first two weeks of operations, largely due to the effective collaboration between our capital projects and operations groups as well as the strong working relationship with Tolko that has existed since our first joint investment at Lavington, BC, in 2015," stated Duncan Davies, CEO of Pinnacle. "The commissioning of this Mill along with our project at Demopolis, Alabama which is scheduled for completion in Q2 2021, will increase Pinnacle's overall production capacity by almost 25% to 2.8 million metric tons per annum and increase the portion located in jurisdictions outside of B.C. to approximately 44%."

"We're proud to see the start of pellet production at High Level and we're thankful to have such a solid partnership with Pinnacle Renewable Energy," said Brad Thorlakson, President and CEO of Tolko. "The facility brings economic and employment benefits to our companies and the community, and by using green energy from biomass in the manufacturing process, there are environmental benefits as well that help reduce our carbon footprint."

Pinnacle is gradually ramping up production at the Mill and expects to reach full run-rate production in 2021.

About Pinnacle

Pinnacle is the second largest producer of industrial wood pellets in the world. The Company's products are used to displace fossil fuels in the production of baseload electrical power in key markets around the world. Pinnacle is a trusted supplier to its customers who require reliable, high quality fuels to maximize the utilization of their facilities. The Company operates nine production facilities in Western Canada and one in Alabama, with one additional facility under construction in Alabama and more in development. The Company also owns a port terminal in Prince Rupert, B.C. Pinnacle has entered into long-term, take-or-pay contracts with utilities in the U.K., Europe and Asia that represent an average of 99% of its production capacity through 2026.

About Tolko

Tolko is a leading manufacturer of a wide range of forest products for customers around the world, including lumber, plywood and veneer-oriented strand board co-products, biomass power, and a growing number of specialty wood products. For more than 60 years, our family-owned company has delivered reliability, flexibility, efficiency, and quality. We hold third-party certification on the forestlands we sustainably manage in British Columbia, Alberta, and Saskatchewan, and we play an active role in the communities where our employees live and work.

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