

LiqTech Enters Into A Framework Agreement For Diesel Particulate Filters Valued At \$2.2 Million For The Chinese Market

FIRST ORDER VALUED AT \$ 0.375 MILLION TO BE DELIVERED IN SEPTEMBER

BALLERUP, Denmark, July 21, 2016 — **LiqTech International, Inc. (NYSE MKT:LIQT)**, a clean technology company that manufactures and markets highly specialized filtration products and systems, announces today that it has entered into a strategic relationship with one of the leading Chinese companies for diesel particulate filters (DPF), Kailong High Technology Co. Ltd., to provide Kailong with advanced silicon carbide material for DPF filters. The framework agreement is valued at \$2.2 million with the first order of \$0.375 million slated for September 2016 delivery. The balance will be shipped later upon customary quality approvals.

Zang Zhicheng, Chairman of Kailong High Tech stated, “Since 2001, Kailong High Tech has been established as a high quality leader in Diesel Selective Catalytic Reduction (SCR) systems in China. We are at the forefront of technology and are planning ahead to meet the new ‘China 6’ emission zone standards that represent the highest standards of emission control in the world.

We have done extensive research worldwide and found that LiqTech can meet our high standard of quality and safety of delivery. We have chosen LiqTech as our long term business partner. This first order represents a test of the Chinese market but we are confident that together with LiqTech, we can expand the market in China.”

Aldo Petersen, Chairman of LiqTech, stated, “We are very proud that such a prestigious company as Kailong High Tech has chosen LiqTech as its strategic partner for silicon carbide DPF filters for the Chinese market.

Our companies have worked diligently together in Wuxi, China and Ballerup, Denmark to establish the foundation for a long-term relationship. We believe that Kailong High Tech, with its rich experience and high quality standards, is the right strategic partner for LiqTech in China.

We believe that under the guidance of Chairman Zang Zhicheng, Kailong High Tech will achieve great success implementing LiqTech technology in China and together with their leadership in SCR systems, will create the same success with silicon carbide DPF filters.”

About Kailong High Technology Co. Ltd

Kailong High Tech was founded in 2001 and is located in Wuxi, the well-known southern city with three-thousand year history. Kailong is a high tech enterprise providing research and development, production, sales and after-sales service and is the leading unit of the diesel SCR exhaust gas post processing working group of the National Internal Combustion Engine Standardization Technology Committee.

Kailong develops and produces high-tech products for vehicles and off-road diesel engines, including SCR exhaust post processing systems, diesel particulate filters (DPF), CNG/LNG/LPG postprocessors, exhaust treatment devices for tunnel/industrial stoves, vehicle exhaust heating systems, engine smart temperature-control-cooling systems, centralized lubrication systems for passenger-carrying chassis and eddy current retarders. The company also provides system solutions satisfying the discharge standard of European VI for customers.

In addition to its headquarters, the company also owns Kailong Institute of Technology, Kailong Lanfeng New Material Technology Co., Ltd., Jiangsu Kailong Baodun Power Technology Co., Ltd., Changan Branch and Wuxi Kairui Sensor Technology Co., Ltd. The total investment is RMB 550 million Yuan with more than 1,300 employees. The company owns 15 accessory centres including Beijing, Shanghai, Chongqing, Dongbei, Weichai and 218 special maintenance service stations. Recently, the company established cooperative relationships with numerous customers including Weichai, Yuchai, Xichai, Shangchai, Deutz, Cursor, Jiangxi Isuzu Motors, Nanjing IVECO, Yunnei, Quanchai and Shangyihong.

About LiqTech International

LiqTech International, Inc., a Nevada corporation, is a clean technology company that for more than a decade has developed and provided state-of-the-art technologies for gas and liquid purification using ceramic silicon carbide filters, particularly highly specialized filters for the control of soot exhaust particles from diesel engines and for liquid filtration. Using nanotechnology, LiqTech develops products using proprietary silicon carbide technology. LiqTech's products are based on unique silicon carbide membranes, which facilitate new applications and improve existing technologies. In particular, LiqTech Systems A/S (www.provital.dk), the Company's subsidiary, has developed a new standard of water filtration technology to meet the ever-increasing demand for higher water quality. By incorporating LiqTech's SiC liquid membrane technology with its longstanding systems design experience and capabilities it offers solutions to the most difficult water pollution problem.

For more information, please visit www.liqtech.com

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Forward-Looking Statements

This press release contains "forward-looking statements." Although the forward-looking statements in this release reflect the good faith judgment of management, forward-looking statements are inherently subject to known and unknown risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged to carefully review and consider the various disclosures made by us in the our reports filed with the Securities and Exchange Commission, including the risk factors that attempt to advise interested parties of the risks that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this release.

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