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Cielo Executes Binding LOI to Advance Clean Fuels Project Development Through Strategic Asset Acquisition and Concurrent Financing

CALGARY, Alberta, Canada (February 11, 2026) – Cielo Waste Solutions Corp. (TSXV: CMC; OTCQB: CWSFF) ("**Cielo**" or the "**Company**") is pleased to announce that it has executed a binding letter of intent dated February 10, 2026 (the "**LOI**") with Canadian Discovery Ltd. ("**CDL**") to acquire certain proprietary project development and evaluation assets (the "**Proposed Acquisition**"), together with a concurrent, strategic private placement financing (the "**Financing**") with the participation of certain principals of CDL (the "**CDL Principals**"). The Proposed Acquisition represents a foundational step in Cielo's evolution into a scalable clean fuels project development company, strengthening the Company's internal technical and commercial capabilities as it accelerates its development platform for its previously announced Project Nexus and future projects.

Assets and Purpose of Acquisition

Over the past several years, the Company has undertaken a series of initiatives designed to stabilize operations, address legacy matters, realign its strategic direction, and restructure its project development approach. These initiatives have included resolving or winding down legacy operating activities, transitioning away from prior technology pathways, strengthening governance and executive leadership, addressing historical liabilities and contractual obligations, and repositioning the Company toward a disciplined project development model focused on scalable clean fuels infrastructure.

The assets to be acquired by Cielo from CDL, which will be set out in an asset purchase agreement (the "**APA**") to be executed between Cielo and CDL in the coming weeks, will consist of certain of CDL's proprietary, project development and evaluation assets, including non-public technical and commercial information in the form of databases, data sets, models, analytical tools, technical reviews, and related intellectual property relating to renewable fuels and low carbon fuels production, (the "**Assets**"). The Assets are expected to contribute foundational components to the ongoing development of Cielo's internal project development platform, the previously announced Nexus Platform, an integrated suite of intellectual property, evaluation frameworks and development tools intended to support the assessment, design and execution of Project Nexus as well as future projects, with technology selection occurring at the project level based on commercial, technical, and execution considerations.

The Proposed Acquisition is intended to strengthen the Company's internal technical, economic modeling, and project evaluation capabilities as it advances Project Nexus and supports the continued build-out of the Company's Nexus Platform. With key restructuring initiatives nearing completion, Cielo is focused on executing its long-term growth strategy through disciplined project development, capital-efficient execution, and the systematic advancement of future projects.

Cielo's CEO, Ryan C. Jackson, stated ‘‘This transaction is expected to conclude Cielo's restructuring chapter and mark our full entry into execution. By internalizing these capabilities, we will have built the technical and commercial foundation required to advance Project Nexus and systematically develop future projects with speed, discipline, and capital efficiency. With our development platform coming into place, Cielo is positioned to execute a scalable clean fuels project development strategy designed to deliver long-term value."

Kaush Rakhit, Executive Chairman of Canadian Discovery Ltd. added, "Over the past several years, we built these tools and datasets to support disciplined, repeatable project development decisions. Cielo's focus on advancing Project Nexus and building a scalable waste-to-fuels platform made it a natural fit. We believe they will be most impactful when fully integrated into an active development organization with clear execution objectives."

Acquisition Terms

Under the terms of the LOI, subject to the execution of definitive agreements, satisfaction of customary closing conditions, and receipt of all required regulatory approvals, including approval of the TSX Venture Exchange (the "**Exchange**") to the extent required:

- Cielo will acquire 100% of CDL's interest in the Assets upon closing;
- Cielo will pay an amount equal to approximately $2,600,000 CDN (the "**Purchase Price**") as full consideration for the Assets by issuing 17,333,333 common shares of Cielo (the "**Consideration Shares**") at a per share price of $0.15 per share to or as directed by CDL, as follows:
    - 10,000,000 Consideration Shares to be issued upon closing, subject to a statutory 4 month hold period in addition to a subsequent, consecutive 8 month hold period for an aggregate hold period of 12 months from closing (the "**12 Month Hold**"); and
    - 7,333,333 Consideration Shares to be issued on closing, also subject to the 12 Month Hold, and deposited into escrow with the Company's transfer agent, Olympia Trust Company, to be released on an earn-out basis within 36 months of the closing of the Proposed Acquisition on and subject to the performance of certain milestones to be set out in the APA;
- CDL and the CDL Principals will be subject to standstill provisions with respect to the Consideration Shares as well as the Units issued under the Financing (each as defined below) for a period of 24 months from closing of the Proposed Acquisition.

The Purchase Price is subject to finalization following the completion of the due diligence review contemplated in the LOI however is not expected to vary. It was determined on the basis of arm's-length negotiations between Cielo and CDL, taking into account the nature of the Assets, their strategic value to Cielo, and the expected contribution of the Assets to the Cielo's project development capabilities. The Proposed Acquisition does not involve the acquisition of operating facilities or proprietary process technology. No finder's fees will be paid in connection with the Proposed Acquisition.

The Proposed Acquisition, which is anticipated to close in March 2026, is subject to, among other things, completion of due diligence, finalization and execution of the APA, satisfaction of customary closing conditions and receipt of all required corporate and regulatory approvals, including the approval of the Exchange to the extent required. The Proposed Acquisition is an arm's length transaction for the purposes of the policies of the Exchange. The Company expects that the Proposed Acquisition will meet the criteria of an "Expedited Acquisition" under Exchange Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*. There can be no assurance that the Proposed Acquisition will be completed as currently contemplated or at all.

Proposed Board Appointment

The LOI provides that at or promptly following Closing, Cielo's board of directors (the "**Cielo Board**") will appoint Kaush Rakhit, Executive Chairman and majority shareholder of CDL (the "**CDL Nominee**"), to serve as a director of the Company, subject to applicable corporate law requirements, the Company's constating documents, and Exchange policies. The CDL Nominee's appointment will be subject to customary background, eligibility, independence, and residency confirmations, as well as any required Exchange and securities law approvals. Subject to these requirements, the CDL Nominee will then be nominated by the Cielo Board for election by the shareholders at Cielo's next annual general meeting. Following this appointment, it is anticipated that the Company's board will consist of five directors: Cielo's four incumbent directors and the CDL Nominee.

Mr. Rakhit is a seasoned energy executive and founder with over three decades of experience building and scaling technical and operating businesses across the Canadian energy sector. He played a pivotal role in the development and growth of several organizations, including involvement in the strategic build-out of Seven Generations Energy and Kiwetinohk Energy, and has served as a founder, executive, and director of multiple energy and resource companies. Mr. Rakhit brings deep experience in project development, capital formation, governance, and disciplined value creation. He holds a Bachelor of Science degree from the University of Waterloo and a Master of Science degree from the University of Alberta.

Financing

The Financing is a non-brokered private placement for aggregate proceeds of $1,000,000 CDN and is expected to include participation by certain principals of CDL as well as certain insiders of the Company.

The Financing is expected to result in the issuance of approximately 16,666,666 units (each a "**Unit**, collectively the "**Units**") at a price of $0.06 per Unit. Each Unit is comprised of one common share of the Company (each, a "**Common Share**") and one whole Common Share purchase warrant (each, a "**Warrant**") of the Company, each Warrant entitling the holder thereof to purchase one Common Share at a price of $0.15 per Common Share for a period of forty-eight (48) months from the date of issuance.

Net proceeds of the Financing are anticipated to be used for the continued development and early-stage engineering of Project Nexus, the Company's proposed sustainable aviation fuel facility in Prince George British Columbia, including regulatory and incentive application work, as well as general working capital purposes.

As certain insiders of the Company are also expected to participate in the Financing, the Financing will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company expects that the Financing will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to Sections 5.5(a) and 5.7(1)(a) thereof, as the fair market value of the participation by related parties is not expected to exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

Closing of the Financing is subject to receipt of all necessary corporate and regulatory approvals, including the approval of the Exchange. No finder's fees will be paid in connection with the Financing. All securities issued in connection with the Financing will be subject to a hold period of four months plus one day from the date of issuance and applicable securities legislation.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons as defined under applicable United States securities laws unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

ABOUT CIELO

Cielo Waste Solutions Corp. is a clean fuels infrastructure and project development company focused on advancing waste-derived feedstocks into sustainable aviation fuel and other low-carbon energy products. With its corporate turnaround complete, the Company is executing a disciplined, asset-anchored development strategy built around its Nexus Platform—an integrated framework supporting project evaluation, engineering, financing, and capital-efficient execution.

Through the Nexus Platform, Cielo is advancing its initial development project in British Columbia while systematically building a scalable pipeline of clean fuels projects across North America and select international markets, leveraging strategic feedstock relationships, proven third-party technologies, and internally developed project development capabilities.

Cielo's shares are listed on the TSX Venture Exchange under the symbol **CMC** and on the OTCQB under the symbol **CWSFF**.

For further information please contact:

Cielo Investor Relations

Ryan C. Jackson, CEO
Phone: (403) 348-2972
Email: investors@cielows.com

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements are subject to both known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Cielo, that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements and information are based on plans, expectations and estimates of management at the date the information is provided and are subject to certain factors and assumptions. The Company is making forward-looking statements, including but not limited to, with respect to: statements with respect to the expected conclusion of the Company's restructuring initiatives in connection with the Proposed Acquisition, the Proposed Acquisition and the terms thereof; the timing of closing of the Proposed Acquisition (including the expectation that closing will occur in or about March 2026); the conduct and completion of due diligence to the Company's satisfaction; the negotiation, execution and completion of definitive agreements, including the APA; the receipt of all required corporate and regulatory approvals, including the approval of the Exchange; the Financing, including the terms, timing and completion thereof and the expected participation by certain principals of CDL and certain insiders of the Company; the intended use of proceeds of the Financing; anticipated appointment of the CDL Nominee to the Cielo Board upon closing; and the expected strategic, operational and risk-mitigation benefits of the Assets to be acquired and their integration into the Company's internal development platform.

Investors should continue to review and consider information disseminated through news releases and filed by Cielo on SEDAR+. Although the Company has attempted to identify crucial factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Cielo's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.