



THERMAL ENERGY FILES RESTATED 2010 ANNUAL FINANCIAL STATEMENTS AND MD&A

Ottawa, ON – April 15, 2011 – Thermal Energy International Inc. (TSX-V: TMG) (www.thermalenergy.com) (“Thermal Energy” or the “Company”) today announced that it has filed on www.SEDAR.com its restated financial statements and management’s discussion and analysis (“MD&A”) for the year ended May 31, 2010, which includes the comparable results for the fiscal year ended May 31, 2009.

As announced by Thermal Energy on April 7, 2011, the restatement was initiated as a result of an error in the calculation of the value of goodwill and intangible assets acquired on the acquisition of Gardner Energy Management Limited (“GEM”) at the balance sheet date. Thermal Energy’s financial statements filed since the GEM acquisition have calculated the value of GEM’s goodwill and intangible assets based on the historical exchange rate as at the purchase date. However, since GEM is a self-sustained foreign operation for accounting purposes, its goodwill and intangible assets should be revalued at the current exchange rate as of each balance sheet date.

As a result of the detailed analysis completed by the Company and its auditors in connection with the foregoing matter it was determined that a provision for future tax liability arising from the intangible assets acquired on the acquisition of GEM was also necessary. The future tax liability is the result of a difference in the accounting basis and tax basis of the intangible assets. To account for the excess of the accounting basis over the tax basis, a future tax liability should be recognized at the rate of corporate tax in the country of the foreign operation. The impacts of all required adjustments to the financial statements for the year ended May 31, 2010 and the comparable period ended May 31, 2009 are as follows:

	May 31, 2010		May 31, 2009	
	As previously reported \$	Restated \$	As previously reported \$	Restated \$
Intangible assets	1,321,542	995,448	1,508,042	1,336,172
Goodwill	3,630,824	3,143,979	3,449,799	3,510,126
Total Assets	9,488,831	8,675,892	12,550,430	12,438,887
Future Taxes	-	354,100	-	416,500
Accumulated other comprehensive loss	(197,650)	(1,364,689)	(77,443)	(605,486)
Total liabilities and shareholders’ equity	9,488,831	8,675,892	12,550,430	12,438,887
Net loss for the year	(3,071,851)	(3,071,851)	(3,205,377)	(3,205,377)
Unrealized losses on translating financial statements of self-sustaining foreign operations for the year	(120,207)	(759,203)	(77,443)	(605,486)
Comprehensive loss for the year	(3,192,058)	(3,831,054)	(3,282,820)	(3,810,863)



As shown above the adjustments are all non-cash in nature and do not have any impact on net loss.

The foregoing is summary only and readers should refer to the restated audited financial statements and MD&A for the year ended May 31, 2010 which are filed on www.SEDAR.com.

About Thermal Energy International Inc.

With offices in Ottawa, Canada and Bristol UK, Thermal Energy International Inc. is an innovative clean technology company providing a variety of proprietary and proven energy efficiency, emission reduction, water efficiency and bioenergy products and solutions to the industrial, commercial and institutional markets worldwide. Thermal Energy's products include; **GEM®** - Steam traps and condensate return systems, **FLU-ACE®** - Direct contact condensing heat recovery, and **Dry Rex™** - Low temperature biomass drying systems. Thermal Energy International Inc. is also a fully accredited professional engineering firm, and offers advanced process and applications engineering services. FLU-ACE®, GEM®, DRY-REX®, THERMALONOX®, and THERMAL AUD® are trademarks of Thermal Energy International Inc.

To find out more about Thermal Energy International Inc. (TSX-V: TMG), visit our website at <http://www.thermalenergy.com>.

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