

CALIFORNIA NANOTECHNOLOGIES ACQUIRES MAJOR NEW CUSTOMER IN THE OIL AND GAS SERVICE INDUSTRY

CALIFORNIA NANOTECHNOLOGIES CORP.

CNO-TSX VENTURE

Cerritos, California. December 20, 2013 - California Nanotechnologies ("Cal Nano") is pleased to announce that revenues for the third quarter of 2013 increased 253% over the same period in 2012. "While this increase in revenue from \$22,434 US (\$23,780 CDN) in the third quarter of 2012 to \$79,174 US (\$83,862 CDN) in the third quarter of 2013 was primarily due to continuing long-term research and development programs at Cal Nano, the transition from development efforts to ongoing revenues is a critical milestone that the company has been focused on for many years," stated Christopher Melnyk, CEO. "In this regard, the company has made significant progress with a new customer in the oil and gas service business, receiving approximately \$49,343 (\$52,256 CDN) worth of purchase orders in the last three months, including \$28,611 US (\$30,300 CDN) on December 18, 2013. This project could lead to an important technological advance in the oil and gas industry and is slated to continue for the next several months. The company is prepared to add new production resources to meet this customer's growing requirements".

The company is also pleased to announce that it has delivered the initial nano composite components to adidas as mentioned in a press release of November 7, 2013. The company is focused on completing this \$89,850 US (\$95,155 CDN) order in January 2014.

Except for historical information contained herein this document contains forward-looking statements. These statements contain known and unknown risk and uncertainties that may cause the company's actual results or outcomes to be materially different from those anticipated and discussed herein.

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