



PRESS RELEASE
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H₂O Innovation is expanding its activities in Mexico

Quebec City, February 29, 2016 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Company”) is proud to announce it is expanding its business activities in Mexico through a partnership agreement to use the technologies, the experience, and the references of the projects completed by the Company.

The new Mexican entity, H₂O Innovación de Mexico S.A. de C.V. (“H₂O Innovación Mexico”), will be under the leadership of Sr. Diego Pasadas, a chemical engineer with 19 years of experience in the water treatment industry, most notably in membrane filtration. “It is an honor and challenge for my organization to represent H₂O Innovation in Mexico. Our solid business relationship in the past has brought us to this new enterprise with a common goal: to grow the municipal, industrial, and desalination water business even more, and combining our efforts to offer better cost effective technologies to our Mexican customers”, **added Diego Pasadas, Director**. Through a royalty agreement paid to H₂O Innovation, this Mexican entity will benefit from the latest innovations, products and technologies offered by the Company. More significantly, H₂O Innovación Mexico will be able to use the Company’s multiple references allowing it to quickly win new projects in this growing territory.

In order to meet the sustained demand for water, wastewater and desalination treatment systems, the new Mexican government proposed a five-year investment plan of \$32 billion to develop water treatment infrastructure (GWI, The Global Water Market in 2015). This major investment plan will enable H₂O Innovación Mexico to set itself up favorably in Mexico through new projects and operation and maintenance contracts. The operations of H₂O Innovación Mexico will be based in a new manufacturing and assembly plant in Monterrey, supported by regional offices in Cancun and Cabo.

“We are delighted to partner up with a trusted ally already established in Mexico. We are now proposing a unique business model that will allow H₂O Innovation to expand its business in a high growth market without adding to its current cost structure. We strongly believe that this could have a positive impact on the financial results (EBITDA and net profit) within the first 12 months”, **stated Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation**.

About H₂O Innovation

H₂O Innovation designs and provides state-of-the-art, custom-built, and integrated water treatment solutions based on membrane filtration technology for municipal, energy and natural resources end-users. Also, directly and through its affiliates, H₂O Innovation provides products and services complementary to its membrane filtration and reverse osmosis systems. These



products consist of a complete line of specialty chemicals, consumables and couplings. For more information, visit www.h2oinnovation.com.

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