



PRESS RELEASE
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H₂O Innovation awarded new contracts worth \$7.6 M and increased its sales backlog to a record high of \$50.8 M

All amounts in Canadian dollars unless otherwise stated.

Quebec City, January 6, 2016 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Company”) is proud to announce that it was recently awarded two (2) new contracts in Canada and one new contract in the United States, one of which will integrate the Clearlogx[®] technology. These new contracts bring the Company’s sales backlog to a record high of \$50.8 M, excluding the sales backlog from its specialty products and services business line (PWT, Piedmont and H₂O Innovation Maple).

The first project has been awarded to the Company by Englishman River Water Service and consists of the design, manufacture and commissioning of a two stage ultrafiltration (UF) system with a total of five (5) trains to treat water from the Englishman River. Once completed, the system will produce 4.2 MGD (16,000 m³/day) of potable water for the City of Parksville, in British Columbia. Furthermore, the system is expandable to 12.7 MGD (48,000 m³/day) to meet current and future demands of the City. This system is designed with the FiberFlex[™] skid, an open platform technology developed by H₂O Innovation that allows interchangeability between several types of UF modules. The recently-acquired Clearlogx[®] technology will also be part of the system in order to monitor and automatically optimize coagulant dose, maximizing the life of the membrane and reducing overall plant operating expenses.

“H₂O Innovation has managed, once again, to stand out as a provider of innovative technologies and has proven its ability to adapt to meet customer needs. The FiberFlex[™] and Clearlogx[®] technologies are differentiating factors that help us win new projects. We are especially pleased by the rapid integration of the Clearlogx[®] technology to our offer and the positive response generated by our customers only a few weeks after its introduction. The interest Clearlogx[®] is generating could have positive effects on our project business line as well as on our PWT specialty products line, which will ensure long-term supply of coagulants”, **stated Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation.**

The second award is for the pre-selection for supply of a new six (6) trains UF system to treat tertiary effluent from the Valencia Water Reclamation Plant of the Sanitation Districts of Los Angeles County. This system will also be designed with the FiberFlex[™] skid and will produce up to 10.3 MGD (38,989 m³/day) of water to be reused in agricultural applications.

Finally, the third contract awarded is for the design, manufacture and commissioning of a wastewater treatment system for the national historic site of Lower Fort Garry in Manitoba. This system will use the biological Bio-Wheel™ process to treat municipal wastewater and provide nutrient removal, at a low operating cost. The system designed for Lower Fort Garry is very sturdy, reliable, simple to operate and will have low energy consumption requirements. The system will treat 7,925 to 15,850 gal/day (30 to 60 m³/day) of wastewater.

Prospective disclosures

Certain statements set forth in this press release regarding the operations and the activities of H₂O Innovation may constitute forward-looking statements within the meaning of securities legislation. Forward-looking statements concern analysis and other information based on forecast future results, performance and achievements and the estimate of amounts that cannot yet be determined. Those forward-looking statements, based on the current expectations of management, involve a number of risks and uncertainties, known and unknown, which may result in actual and future results, performance and achievements of the Company to be materially different than the said forward-looking statements. Information about the risk factors to which the Company is exposed is provided in the Annual Information Form dated September 22, 2015 available on SEDAR (www.sedar.com).

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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