



PRESS RELEASE
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TSX-V: HEO
OTCQX: HEOFF
Alternext: MNEMO: ALHEO

H₂O Innovation announces \$14 million in new contracts and implementation of a proprietary remote monitoring solution SPMC™ for a municipality in Florida

All amounts in Canadian dollars unless otherwise stated.

Quebec, January 27, 2015 - (TSX-V: HEO) - H₂O Innovation Inc. (“H₂O Innovation” or the “Company”) announces today that it was awarded, at the end of its second quarter and in January 2015, six (6) new contracts for an aggregate amount of \$14 million, mainly for the supply of drinking water systems to municipal customers. With the addition of these new contracts, the backlog for water treatment projects has reached \$38.2 M at the beginning of the third quarter. In addition, H₂O Innovation is pleased to announce the implementation of its proprietary remote monitoring solution, SPMC™ (System Performance Monitoring Center), at a municipality located in Florida for a period of three (3) years.

Among the contracts announced today, the most significant is for the design, manufacture and commissioning of a complete drinking water system for the Town of Innisfil, Ontario. This ultrafiltration system (“UF”) will have an initial capacity of 38,000 m³/day (10 MGD) and will employ H₂O Innovation’s FiberFlex™ skids, allowing interchangeability between different types of UF membrane modules. The system treats surface water with a total of six (6) trains. The first four (4) trains are used for primary treatment of the surface water while the other two (2) produce drinking water from the backwash water generated from the first four (4) trains. This process will maximize the overall recovery of the plant.

H₂O Innovation continues to enhance its presence in Texas (USA) with the addition of the Possum Kingdom project for the City of Abilene. This reverse osmosis system designed, manufactured and commissioned by H₂O Innovation, with an ultimate capacity of 41,600 m³/day (11.0 MGD), will treat surface water post microfiltration. For this municipality, the implementation of such a treatment process is part of its strategy to utilize available water sources to alleviate the current drought as well as to provide for future demands. As part of another project in the United States, H₂O Innovation will design, manufacture and commission a reverse osmosis system with a total capacity of 11,355 m³/day (3.0 MGD) to treat brackish water for the community of Craven County located in North Carolina.

In Western Canada, the Company has been awarded two (2) other projects. The first one consists of the design, manufacture and commissioning of three (3) integrated ultrafiltration and nanofiltration systems (UF-NF) also using H₂O Innovation’s FiberFlex™ skid. These systems for the Northern Alberta Water Treatment Plants in John D’Or Prairie, Boyer River and Meander River will have respective nominal capacity of 980 m³/day (0.26 MGD), 416 m³/day (0.1 MGD) and 438 m³/day (0.1 MGD). The use of FiberFlex™ skids will easily permit the addition of extra production capacity of each of these systems when needed. The project completing this set of new contracts is for the tertiary treatment of mining effluent at a site located in northern British Columbia. This contract consists of a rental, for a minimum six-month period, of four (4) insulated containerized media filtration units that can handle a flow of 2,721 m³/day (720,000 gpd).



"We are pleased to see our water treatment systems backlog being renewed and maintained at such a high level. The efforts undertaken by our sales team to cover new territories in Canada and the United States and to maintain our presence in municipal and industrial sectors, allows us to continue our growth trajectory. Investments in infrastructure, especially those for the treatment of water, are becoming the main drivers to revitalize or maintain regional economies. We are positioned better than ever to respond to the growing demand for municipal water projects in Canada and the United States", **stated Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation.**

Finally, the Company is proud to announce the execution of a service agreement for a period of three (3) years with the municipality of Everglades, Florida (USA) to assist the municipality in the operation of its drinking water system by using H₂O Innovation's SPMC™ remote monitoring solution. This monitoring solution, developed in-house by H₂O Innovation, enables remote access to operating parameters at the water plant, collation and analysis of the data, and generation of meaningful performance graphs which helps end users determine operational trends. This tool facilitates interpretation of data, automatically prepares reports and offers significant improvements in efficiency to water treatment system operators and managers by enabling their decision making processes.

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, 2014 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 & natural resources end-users. Also, directly and through its affiliates, H₂O Innovation provides services and products complementary to its membrane filtration and reverse osmosis systems. These products consist of a complete line of specialty chemicals, consumables and couplings. For more, visit www.h2oinnovation.com.

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Source :

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