

PRESS RELEASE For immediate release TSXV: HEO Alternext: MNEMO: ALHEO OTCQX : HEOFF

H₂O Innovation: Clearlogx® patented technology improves membrane plant performance and reduces OPEX at Brazos Regional Public Utility Agency (Texas)

- Secured contract for Clearlogx® with the Brazos Regional Public Utility Agency
- Improving the clarifier efficiency by approximately 50%
- Reducing UF fouling by approximately 50%
- Increasing the system production by approximately 25%
- Implemented an advanced monitoring infrastructure solution with SPMC[™] and SCADA

Quebec City, August 18, 2016 – (TSXV: HEO) – H_2O Innovation Inc. (" H_2O Innovation" or the "Company") is proud to announce that it has recently secured an order for its Clearlogx® proprietary technology, following a three-month pilot demonstration with the Brazos Regional Public Utility Agency ("BRPUA") in Granbury, Texas. Clearlogx® will control and optimize the coagulant dosing of a 13 MGD (49,210 m³/day) water treatment plant, which is a combination of a conventional and membrane filtration system using ultrafiltration (UF) and reverse osmosis (RO) technologies.

The pilot demonstration was conducted following a contest last February, at the Membrane Technology Conference (MTC) in San Antonio, Texas. The Company selected the winner based on the actual needs of the system in place and determined that Brazos Regional Public Utility Agency would be the most beneficial recipient. Clearlogx® was then piloted for a period of 90 days at a small scale on the Brazos Regional Public Utility Agency's UF and RO systems to demonstrate its capability for pre-treatment monitoring. During the pilot, Clearlogx® has demonstrated that BRPUA would be able to improve its clarifier performance by 50%, prevent premature fouling on the UF system therefore extending the life of the membranes. It was also established that BRPUA would be able to eliminate the need for lime and ferric that they are presently using for pre-treatment; this would reduce UF membranes fouling by approximately 50% and allow an increase in production of approximately 25%. Based on these positive results, Brazos Regional Public Utility Agency awarded a contract for the supply of the Clearlogx® technology.

BRPUA also awarded H₂O Innovation a contract for its System Performance Monitoring Center (SPMCTM), an innovative monitoring and control technology, as well as for the implementation of an entire SCADA system. "Both SPMCTM and SCADA offerings include IT security features and continuous process performance monitoring. These technologies are also considered to be openarchitecture that allows more flexibility thus making potential upgrades easier", **stated Frédéric Dugré, President and CEO of H₂O Innovation.**

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About Clearlogx®

Clearlogx® is a proprietary and patented technology, which precisely and continuously controls the feed of specialty coagulants used in water treatment to maintain a proper pH level and optimum particle charge, while simultaneously improving overall treatment process efficiency. Clearlogx® is also used to avoid excessive membrane cleaning. For more information, please visit www.clearlogx.com.

About H₂O Innovation

 H_2O 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, H_2O 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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