

H₂O Innovation wins \$12 million in new contracts and reaches historical high sales backlog of \$40.5 million

All amounts in Canadian dollars unless otherwise stated.

Quebec City, July 8, 2014 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Company”) announces today that it was recently awarded \$12 million in new contracts, mainly in mining and municipal sectors. These new contracts bring the Company’s order backlog for water treatment projects to \$40.5 million as of July 1, 2014, excluding backlog from its Specialty Products and Services division (PWT, Piedmont and H₂O Innovation Maple). The entire order backlog will be executed over the next twenty-four (24) months.

Amongst these contracts, one of them consists in the design, fabrication and commissioning of a complete water treatment plant on a mining site located in British Columbia, Canada. This water treatment plant dedicated to the treatment of mine tailings water comprises ultrafiltration (UF) and reverse osmosis (RO) systems. This water treatment plant will have a total capacity of permeate flow of 2.16 MGD (8,165 m³/day). As part of the UF pre-treatment system, H₂O Innovation will supply its Fiberflex™ skid, which provides membranes interchangeability and accommodates several types of modules.

As part of another mining project, which is located in the province of Quebec, Canada, H₂O Innovation will supply a containerized potable water treatment system for a workers camp. This unit will produce 0.12 MGD (480 m³/day) of drinking water.

A third contract with a Vancouver-based mining company consists in the design, fabrication and commissioning of a RO system to treat water from a tailings pond in order to remove arsenic and antimony and produce water meeting the environmental discharge criteria. Prior to final design and fabrication of the full scale system, bench scale and pilot testing will be performed to validate the recovery rate of the system. It is expected that the full scale RO system capacity will be 3.456 MGD (13,082 m³/day). This RO system will be installed on a mining site located in the United States.

H₂O Innovation has also secured contracts with different municipalities throughout the United States, such as Dunes Community Development District (Palm Coast, FL) and Clifton Water District (Clifton, CO). The most significant contract in the municipal sector is a 12 MGD (45,425 m³/day) UF system, using Company’s Fiberflex™ skid, to treat clarified raw water supplied from the Colorado River or Grand Valley Canal Water for the Clifton Water District in Colorado. For this project, H₂O Innovation will be responsible for the design, fabrication and commissioning of the 12 MGD UF system.

Furthermore, H₂O Innovation will design, manufacture and commission a RO water treatment system, having a total capacity of 0.72 MGD (2,725 m³/day) to treat brackish water for the Dunes Community Development District in Palm Coast, Florida. The Company will also supply, to a municipality located in California, a containerized advanced water treatment system with operator control room and laboratory, chemical dosing and UF, primary RO and concentrate recovery RO systems.



Lastly, H₂O Innovation has been selected to provide a 1.0 MGD (3,785 m³/day) UF system to treat industrial and municipal effluent at the San Francisco Airport's Mel Leong tertiary treatment plant.

"We are delighted to have secured these new contracts at the beginning of our new fiscal year. In the Company's history, we have never reached this level of order backlog. This strong order backlog gives H₂O Innovation an excellent visibility on the coming fiscal year in terms of predictability of revenues and thus, allows us to anticipate a decrease of volatility of these revenues", **said Frédéric Dugré, President and Chief Executive Officer of H₂O Innovation.**

Forward-looking statements

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 24, 2013 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 to 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 and consumables and a complete line of couplings. For more, visit www.h2oinnovation.com.

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Source:

H₂O Innovation Inc.
www.h2oinnovation.com

Contact:

Marc Blanchet
+1 418-688-0170
marc.blanchet@h2oinnovation.com