



PRESS RELEASE
For immediate release

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H₂O Innovation announces signature of new contracts for an amount of \$8.8 million and reaches new high of \$31.6 million in its sales backlog

All amounts in Canadian dollars unless otherwise stated.

Quebec City, May 21, 2014 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Company”) announces today that it was recently awarded \$8.8 million in new contracts. These new contracts bring the Company’s order backlog for water treatment projects to \$31.6 million as of May 20, 2014, excluding backlog from its Specialty Products and Services division (PWT, Piedmont and H₂O Innovation Maple).

Amongst the contracts announced today, the most significant is a 30 MGD (113,562 m³/day) hollow fiber ultrafiltration (UF) membrane system to replace the existing conventional Montevina Water Treatment Plant (WTP) owned and operated by the San Jose Water Company. The Montevina WTP will treat rainfall collected in the Santa Cruz Mountains watershed and provide potable water to the Town of Los Gatos and surrounding West Valley communities. For this design-build project, H₂O Innovation will team up with HDR Constructors, Inc. and will be responsible for the design, fabrication, installation and commissioning of the new 30 MGD UF system. H₂O Innovation was selected amongst 3 other bidders as the proposed system had the most attractive net present value for the end-user when considering both the initial capital cost and the long term operating cost. The UF system will incorporate 840 of Inge’s dizzer® modules, with robust Multibore® fibers, using their T-Rack® 3.0 configuration.

Prior to final design and fabrication of the full scale system, a proof pilot will be performed to validate the power consumption, chemical consumption and membrane performance. “This system will be our largest UF reference and shows one more time that our strategy to be able to offer different UF modules is appreciated and valued by our customers and is increasingly popular in the industry” **stated David Faber, Director, Systems Sales - USA of H₂O Innovation.**

The second most significant contract announced today will be executed in close collaboration with the Canadian engineering firm Groupe SM International (SMi). SMi, well-established in North Africa, has teamed up with H₂O Innovation to supply one of their institutional customers in Maghreb with fifteen (15) mobile water treatment units. Equipped with media filtration, reverse osmosis, UV and chlorination, the robust trailers will be able to purify water from different sources of water. Each unit will treat approximately 40 m³/day (10,500 GPD) of water.

Finally, the Company will supply membrane filtration equipment for two potable water treatment plants and one wastewater treatment plant for clients located in Manitoba and Quebec.

“As the Company’s backlog for water treatment projects is growing steadily, the average project value is also increasing. This trend is clearly showing that our decision to expand the water treatment project sales team in North America has a positive impact for the Company’s growth. This backlog coupled with the on-going sales in the Specialty Products and Services division gives the Company the ability to have a more



efficient, more productive and, we believe, more profitable business operation”, **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