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H2O Innovation Sees Increased Business Opportunities Following New U.S. Ethanol Law Reforms

Quebec City, June 19, 2019 – (TSXV: HEO) – H2O Innovation Inc. (“H2O Innovation” or the “Corporation”) says it is poised to take advantage of changes announced June 3rd in US Environmental Protection Agency (EPA) regulations that now allow year-round sales of so-called “E15” fuel, which contains 15% ethanol and 85% gasoline.

On June 3rd, the EPA announced a change of laws that restricted E15 ethanol fuel sales from June 1st to September 15th. This blackout period deterred retailers from offering E15 at all since they would have to change pumps and warning labels at the start and end of each summer. Instead, they would stay with E10 fuel, with 10% ethanol. It is estimated that only 1% of the 122,000 filling stations in the US offer E15 fuel. After the EPA ruling, every service station is now able to offer E15 all year round. Ethanol provides oxygen making gasoline burn more cleanly in engines and helps reduce pollution.

“This is very significant news for us at H2O Innovation,” **stated Frédéric Dugré, CEO and President of H2O Innovation**, “since we’ve been in this market for the past ten years delivering water treatment products and services to ethanol producers and helping them optimize production. The E15 law in effect opens up significant blue sky for us in this market with increased demand for our membrane equipment projects and the ongoing associated services and consumables, including chemicals, membranes, and filters”.

In anticipation of the year-round E15 availability, the Corporation has delivered, over the past months, a total of eight (8) capital equipment projects in the ethanol industry, all located in the Midwestern United States. A recent installation in Ohio brings H2O Innovation’s installed base in the ethanol sector to more than 35 plants with over 15.0 MGD (56,781 m³/day) total membrane capacity.

“We have worked closely with our customers to bring state-of-the-art membrane applications to the industry, including both polymeric and ceramic ultrafiltration (UF) membranes, as well as reverse osmosis (RO) for a variety of applications. Through existing relationships with ethanol producers, H2O Innovation is now well-positioned to capture new opportunities and meet the increasing demand as this industry grows again with the E15 legislation”, **stated Gregory Madden, Vice President – Aftermarket & Digital Solutions of H2O Innovation**.

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, industrial, energy and natural resources end-users. The Corporation’s activities rely on three pillars which are i) water & wastewater projects, and services; ii) specialty products, including a complete line of specialty chemicals, consumables and specialized products for the water treatment industry; and iii) operation and maintenance services for water and wastewater treatment systems. For more information, visit www.h2oinnovation.com.



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– 30 –

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