

PRESS RELEASE
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H₂O Innovation: \$14.2 M Backlog Increase **Operation and Maintenance Contract Renewals and Scope Expansions**

Quebec City, October 30, 2018 – (TSXV: HEO) – H₂O Innovation Inc. (“H₂O Innovation” or the “Corporation”) is proud to announce that Utility Partners, LLC (“UP”), its business line providing operation and maintenance services (“O&M”) in the United States, recently renewed two (2) operation and maintenance contracts and expanded the scope of work of another project. These contracts, valued at \$14.2 M, bring the Corporation’s O&M business backlog to \$102.5 M and the consolidated backlog (including Projects) at \$153.0 M.

First, Utility Partners renewed a municipal operation and maintenance contract in the State of Mississippi for a 6 and a half-year (6.5) period. For that same project, the UP team expanded the scope of their responsibilities by adding to its contract the supply of all consumables and electricity. “The drinking water treatment plant operated by UP is using reverse osmosis (RO) technology. Now that we are in charge of supplying all consumables, we should be able to improve the OPEX by working closely with our sister company PWT, who is a leader in specialty chemicals for reverse osmosis plants. Our team will also use the deep membrane system expertise available within the H₂O group to lower the energy consumption associated with the RO high-pressure pumps”, **stated Bill Douglass, Vice-President of the Operation & Maintenance business line of H₂O Innovation and Managing Director of Utility Partners.**

The second contract scope expansion is for a customer located in New Mexico. For the last two years, Utility Partners operated the wastewater treatment plant of this client. They now added the O&M of the water treatment plant which should double the revenues associated with this contract. The expertise and dedication of the operating staff allowed to build trust with the client, who ultimately decided to give UP more responsibilities.

The last renewal agreement is with Utility Partners’ very first client, the municipality of Forsyth, Georgia. This contract renewal for an additional five (5) years is a testament to the outstanding quality of services delivered by the local UP team. The award of this contract allows Utility Partners to preserve its renewal record of 100% since the acquisition by H₂O Innovation.

“We are very pleased with these three O&M contracts. It shows that we can offer added value to our customers through the expertise of each business line. Once again, the collaboration taking place between our three business pillars provide us with an incredible competitive advantage”, **added Frédéric Dugré, CEO & President 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.

About Utility Partners

Utility Partners operates, maintains, and repairs water and wastewater treatment plants, distribution equipment and other water utilities for all of its municipal customers. It currently employs 360 employees for the operation of thirty-seven (37) utilities in two (2) Canadian provinces and nine (9) US states, mainly on the US Gulf coast, Southeast, Northeast (New England) and the West Coast. For more information, visit www.utilitypartnersllc.com.

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