

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

H₂O Innovation wins an operation and maintenance contract in western Canada worth \$4.5 M

Quebec City, January 4, 2018 – (TSXV: HEO) – H_2O Innovation Inc. (" H_2O Innovation" or the "Corporation") is proud to announce that it has recently won an operation and maintenance ("O&M") contract in the province of Alberta (Canada) totalling \$4.5 M over a 5-year period. This contract brings the Corporation's O&M business backlog to \$64.2 M, excluding the projects sales backlog.

Services performed by H_2O Innovation will be related to daily operation, monitoring and maintenance of water and wastewater systems located within the Kananaskis Region of Alberta. The contract consists of the operation and maintenance of eleven (11) potable water treatment systems and two (2) wastewater treatment systems with twenty-eight (28) sewage lift stations. One of the plants H_2O Innovation will operate under this contract is a membrane filtration system which was supplied by the Corporation back in 2007.

"Over the years, H₂O Innovation has installed hundreds of membrane filtration systems in Canada, all of which would be great opportunities to expand our O&M platform in the country. This project in the Kananaskis region should pave the way for future operation and maintenance contracts", **added Greg Bishop – Corporate Client Service Manager of Utility Partners, the operation and maintenance business line of H₂O Innovation.**

"We are very excited about this large-scale operation and maintenance project in Canada. We have leveraged combined strength of Utility Partners and our capital equipment project team to accelerate our growth and develop new territories for our O&M business line", **stated Ryan Waldie, Vice President – Business Development & Strategic Partnership 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 and wastewater projects; ii) specialty products and services, including a complete line of specialty chemicals, consumables, specialized products for the water treatment industry as well as control and monitoring systems; and iii) operation and maintenance services for water and wastewater treatment systems. For more information, visit www.h2oinnovation.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) nor the Alternext Exchange accepts responsibility for the adequacy or accuracy of this release.

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