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H₂O Innovation: Utility Partners expands its O&M activities in Texas

Quebec City, January 31st, 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 won its first O&M contract in Texas. UP was also awarded another O&M project and renewed an existing one. These contracts, valued at \$1.5 M, bring the Corporation's O&M business backlog to \$62.5 M, excluding the projects sales backlog.

The first project will provide O&M services to public water utilities in southern Houston as well as in Dallas, Texas. This one-year contract has the possibility to be renewed for an additional five (5) years. "We are very excited to have won our first contract in a high growth potential State, where we were not established yet with O&M activities. According to the Texas Section of the American Society of Civil Engineers, the total capital costs of the recommended water management strategies in the 2017 State Water Plan are estimated at \$62.6 billion over the next 50 years. Combined to an expected 40% population growth by 2040, according to U.S. Census Bureau, the State of Texas represents a strategic and promising geography on which H₂O Innovation intends to grow its diversified business of projects, consumables and O&M services. Establishing ourselves with O&M activities in Texas will also allow us to develop our synergies with H₂O Innovation's Projects team, already active in this State with several systems delivered over the last years", **stated Frédéric Dugré, President and CEO of H₂O Innovation.**

The second contract won by UP is for the operation and maintenance of a drinking water system for a municipality located in New Hampshire. This contract is for an initial period of six (6) months and will then be available for a three-year renewal. "Our team has been operating a wastewater treatment system for this municipality since 2011, so we are happy to also be able to provide the operation and maintenance of a drinking water treatment system", **added Bill Douglass, Vice-President of the Operation & Maintenance division of H₂O Innovation and Managing Director of Utility Partners.** Finally, UP has also renewed a contract, of a two-year period, for another municipality located in New-Hampshire.

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.

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-five (35) utilities in eight (8) 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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Source:

H₂O Innovation Inc.
www.h2oinnovation.com

Contact:

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