

PRESS RELEASE
For immediate release

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H₂O Innovation signs a major water purification contract worth CA\$9.4 million

Quebec City, October 30, 2008 – H₂O Innovation (2000) Inc. (“H₂O Innovation” or the “Company”), a Canadian company specializing exclusively in water technology, has won a bid launched by Petro-Canada Oil Sands Inc. (“PCOSI”) on behalf of Fort Hills Energy L.P. to build six water filtration units with a combined treatment capacity of 3960 cubic meters per day. Using clean technology, the membrane water filtration units will be installed at the Fort Hills Mine currently being built in northern Alberta, Canada. Amounting to CA\$9.4 million this contract is the biggest in H₂O Innovation’s history. It brings H₂O Innovation’s sales backlog to CA\$29 million.

First delivery in April 2009

H₂O Innovation has been hired for its ability to:

- Manufacture made-to-order systems to precise customer specifications
- Meet customer manufacturing and delivery deadlines.

The contract will draw upon resources at all Company offices in Canada and the United States and will not require any additional investment. Engineering and project management will be carried out by the Calgary, Canada office, backed by the team in San Diego, United States while the six units will be built at H₂O Innovation’s two plants, one near Quebec City, Canada, the other in Minneapolis, United States. The contract stipulates that the first two water filtration units are to be delivered in April 2009, the next two in summer 2009, and the last two in fall 2009.

The water filtration facilities at the Fort Hills Mine have a projected lifespan of forty years. The H₂O Innovation water filtration units will provide drinking water to more than 6,000 workers at the site during the construction and operation phases.

“We are extremely proud to have been awarded this contract for the Fort Hills Oil Sands Project. This is a landmark assignment for H₂O Innovation and it brilliantly showcases the teamwork of our engineering, manufacturing capacity, and ability to develop made-to-order solutions. The contract also illustrates our business development potential and our organic growth capabilities,” stated President and CEO Frédéric Dugré.

Fort Hills Energy L.P. is the owner of the Fort Hills Oil Sands Project which includes the Fort Hills Mine and the proposed Sturgeon Upgrader. Fort Hills Energy L.P. is comprised of three limited partners: Petro-Canada, UTS Energy Corporation and Teck Cominco Limited, as well as, general partner Fort Hills Energy Corporation. Petro-Canada Oil Sands Inc., a wholly owned subsidiary of Petro-Canada is the contract operator of the Fort Hills Oil Sands Project.

The new H₂O Innovation dimension is beginning to bear fruit

In the water sector, reputation is built on references, and H₂O Innovation continues to build a solid and lasting reputation. The Company has built a sound foundation—notably through acquisitions—of solid references (over 400 systems installed to date in North America) and recognized technological, engineering, manufacturing know-how, and a strong track record for on-time delivery. H₂O Innovation has the human capabilities (staff of over 100) and material resources (two manufacturing plants) to complete present and future projects.

About H₂O Innovation

H₂O Innovation's mission is to design, develop, produce and integrate state-of-the-art, environmental friendly products dedicated to the production of drinking water, the treatment of wastewater and industrial processed water, and the reclamation of water.

Prospective disclosures

This press release may contain prospective disclosures representing current expectations of H₂O Innovation and are subject to certain risks and uncertainties. H₂O Innovation rejects any obligation to revise or update the prospective disclosures contained in this press release.

The TSX Venture Exchange and the Alternext Exchange assume no responsibility for the relevance or accuracy of this press release.

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