

**INTERNATIONAL WASTEWATER SYSTEMS INC.**

1443 Spitfire Place, Port Coquitlam, BC V3C 6L4

**PRESS RELEASE**

**May 18, 2016**

**CSE: IWS; FRANKFURT:IWI**

**IWS ANNOUNCES COLLABORATION WITH THE CITY OF FIER, ALBANIA**

International Wastewater Systems Inc. (“IWS” or the “Company”) (CSE:IWS) (FRANKFURT:IWI) is pleased to announce its collaboration with the city of Fier, Albania (“Fier”). IWS and Fier have agreed to collaborate on a strategic plan to develop District Energy Networks utilizing IWS’s SHARC wastewater heat exchange system along with the integration of sewage treatment capabilities. The collaboration is a result of recent meetings in Albania between IWS CEO Mr. Lynn Mueller and The Honorable Mr. Armando Subashi, Mayor of Fier.

The district of Fier is located in south east Albania, home to approximately 200,000 people of which 100,000 live in the city of Fier. Fier is the centre of the oil & gas and chemical industries in Albania, a region that includes the nearby Patos-Marinza oilfield, the largest on shore oilfield in Europe which is operated by Canadian company Bankers Petroleum Ltd. (TSX:BNK).

Albania’s dependence on hydropower generation and its vulnerability to weather patterns make energy supply and distribution a key challenge for the country. The early adoption of renewable energy technologies has been promoted via funding from IFC (International Finance Corporation, a member of the World Bank) and EBRD (European Bank for Reconstruction and Development). The EBRD and IFC programs seek to develop the market for renewable energy in Albania as a means to diversify the energy supply, develop green industries and support the country’s path towards the European Union.

Albania’s energy sector is currently suffering annual losses estimated at €160–200 million (World Bank estimates) creating an urgent need for energy efficiency improvements. The city of Fier and IWS seek to implement energy efficient technologies that serve the region’s energy needs, while creating a new industry centred in Fier that serves as a catalyst for economic and technological advancement for the entire region.

IWS intends to install District Energy Networks around the city that include treatment plants capable of treating 30 million litres of sewage per day. IWS technology will recycle the waste heat to provide a green, low cost heating and cooling supply for the city of Fier. Currently this sewage flows untreated through the local river system and into the sea.

IWS is partnering with the City of Fier to transform the city into a world leading example for sustainable energy infrastructure that generates green, low cost energy while providing ongoing social and economic benefits to the historic city of Fier. Lynn Mueller, CEO of IWS commented: “We are committed to developing long term, skilled jobs and programs to aid social change that will place Fier amongst the leading sustainable cities in the world. The City of Fier will serve as an example to

cities worldwide that seek to create lasting environmental, social and economic benefits for its citizens through the adoption of energy efficient infrastructure”.

ON BEHALF OF THE BOARD

*“Lynn Mueller”*

Lynn Mueller

Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

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***About International Wastewater Systems Inc.***

International Wastewater Systems Inc. (CSE: IWS) (FRANKFURT: IWI) is a world leader in wastewater heat recovery. IWS systems recycle thermal energy from wastewater, generating the most energy efficient and economical systems for heating, cooling & hot water for commercial, residential and industrial buildings.

***The CSE does not accept responsibility for the adequacy or accuracy of this release.***

**Forward-Looking Information**

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.