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PRESS RELEASE

September 2, 2016

CSE: IWS; FRANKFURT: IWI; OTC: INTWF

IWS Announces Second and Final Closing of Private Placement

VANCOUVER, B.C., September 2, 2016 – International Wastewater Systems Inc. (the “Company”) (CSE: IWS) (FRANKFURT: IWI) (OTC: INTWF) is pleased to announce the closing of the second and final tranche of the private placement previously announced on August 9th, 2016 (the “Offering”). The Company issued 3,200,000 common shares at a price of \$0.20 per share for gross proceeds of \$640,000 (the “Placement”). In connection with the Placement the Company paid finders fees of \$41,600 and issued 208,000 warrants, each warrant exercisable at a price of \$0.20 for a period of two years from the date of issue. All securities issued in connection with the Placement will have a resale restriction of four months and one day from the date of issue.

The Offering is now closed with the Company having raised gross proceeds of \$1,600,000. Proceeds from the Offering will be used for debt repayment and working capital to fulfill the manufacture and installation of the Company’s projects with Metro Vancouver and the British Columbia Housing Management Commission announced on August 9th, 2016.

ON BEHALF OF THE BOARD

“Lynn Mueller”

Lynn Mueller

Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

Yaron Conforti, CFO and Director

Telephone: (416) 716-8181

Email: aron.conforti@iws-sharc.com

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 system 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.