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PRESS RELEASE

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February 27, 2017

CSE: IWS; FRANKFURT: IWI; OTC: INTWF

IWS Closes Brokered Financing Tranche

VANCOUVER, B.C., February 27, 2017 – International Wastewater Systems Inc. (the “Company”) (CSE: IWS) (FRANKFURT: IWI) (OTC: INTWF) is pleased to announce, further to its news release dated January 19, 2017, the closing of the first tranche of the Company’s brokered private placement (the “**Brokered Placement**”), led by Haywood Securities Inc. as agent.

Pursuant to the first tranche of the Brokered Placement, the Company has issued 2,659,850 units (“**Units**”) at a price of \$0.30 per Unit for gross proceeds of \$797,955. Each Unit consists of one common share (a “**Share**”) and one common share purchase warrant (a “**Warrant**”) of the Company. Each Warrant entitles the holder to purchase one Share for a period of two years from the date of issuance at an exercise price of \$0.40 per Share (“**Brokered Placement**”).

The Company has paid cash commissions in the amount of \$59,846.63, being 7.5% of the aggregate gross proceeds from the sale of Units under this tranche of the Brokered Placement. The Company has also issued to the Agent and its designee 199,488 non-transferrable warrants (“**Agent’s Warrants**”), being 7.5% of the number of Shares sold under this tranche of the Brokered Placement. Each Agent’s Warrant entitles the holder to purchase one Share at a price of \$0.30 for two years from the closing date.

All securities distributed pursuant to the Brokered Placement are subject to a statutory hold period of four months and a day from the date of issuance.

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: yaron.conforti@iws-sharc.com

About International Wastewater Systems Inc.

International Wastewater Systems Inc. is a world leader in thermal 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. IWS is publicly traded in Canada (CSE: IWS), the United States (OTC:INTWF) and Germany (Frankfurt: IWI).

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