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PRESS RELEASE

May 30, 2017

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International Wastewater Closes First Tranche of Debenture Unit Offering

VANCOUVER, B.C., May 30, 2017 – **International Wastewater Systems Inc. (“IWS” or the “Company”)** (CSE: IWS; FSE: IWI; OTC: INTWF) is pleased to announce, further to its news release dated May 29, 2017, that it has closed the first tranche of the Company’s non-brokered private placement (the “**Placement**”) of debenture units (the “**Debenture Units**”).

Pursuant to the first tranche of the Placement, the Company issued 1,320 Debenture Units at a price of \$1,000 per Debenture Unit for gross proceeds of \$1,320,000. Each Debenture Unit consists of one \$1,000 principal amount senior unsecured convertible debenture (the “**Debenture**”) and 2,500 share purchase warrants (each a “**Warrant**”), each exercisable into one common share of the Company (the “**Shares**”) at \$0.30 per Share until May 30, 2020. The Debentures bear interest at a rate of 12% per annum from May 30, 2017 and will mature on May 30, 2020 (the “**Maturity Date**”). The Debentures are convertible into Shares at \$0.30 per Share at the option of the holder at any time until the Maturity Date, subject to adjustment in certain events.

The Company paid finder’s fees in the amount of \$92,400 to Leede Jones Gable Inc. (the “**Finder**”) in consideration for introducing certain purchasers to the Company. The Company also issued to the Finder 231,000 non-transferable share purchase warrants (the “**Finder’s Warrants**”). Each Finder’s Warrant entitles the holder to purchase one Share at a price of \$0.40 per Share until May 30, 2019.

All securities issued in connection with the first tranche of the Placement are subject to a statutory hold period expiring on October 1, 2017 in accordance with applicable securities legislation.

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).

ON BEHALF OF THE BOARD

“Lynn Mueller”

Lynn Mueller

Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

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