

International Wastewater Opens European Headquarters in Glasgow to Expand Marketing and Manufacturing Operations

Vancouver, British Columbia--(Newsfile Corp. - August 8, 2017) - **International Wastewater Systems Inc. (CSE: IWS) (FSE: IWI) (OTC Pink: INTWF) ("IWS" or the "Company")**, is pleased to announce the opening of its European Headquarters at Clyde Gateway's Red Tree Building in Bridgeton, Glasgow. The increased presence in Scotland will be the catalyst to accelerate the deployment of IWS' pioneering renewable heat technology, helping businesses make vital savings in energy, costs and carbon emissions. IWS is proud to further the development of Scotland's low carbon economy, and creating "green energy" jobs in the process. The SHARC technology, already used internationally, intercepts waste water that is flushed down the drain from Scotland's homes and businesses. SHARC's heat pump technology amplifies the natural warmth within the sewer system, generating clean, renewable thermal energy for commercial and residential buildings, reducing heating costs and carbon emissions.

The announcement follows on the back of a £5million grant recently awarded to SHARC by the Scottish Government Low Carbon Infrastructure Transition Programme to extend the installation of innovative heat technology at five locations across Scotland, including the Clyde Gateway development schemes at Shawfield and Dalmarnock (see May 10, 2017 News Release). The funding has given SHARC a solid platform on which to expand its manufacturing operation by recruiting new employees and establishing a dedicated Scottish office which is expected to become the headquarters for all UK and European SHARC activity.

Commenting on the announcement Russ Burton (COO) International Wastewater Systems said: *"The Clyde Gateway development presents a very exciting opportunity for the company and demonstrates the commitment we have to proactively participate in the development of Scotland's Green economy. With a potential heating demand of 22MW, the Clyde Gateway development creates an opportunity to demonstrate the capacity of our technology to deliver a truly carbon efficient district heat network service. The additional opportunity to take space on the development and potentially establish the Clyde Gateway as our home for our operations, could also provide us with the additional production capacity we need to meet the increasing demand for our products across the EU. Having developed a strong working relationship with the Clyde Gateway team, alongside recognising Glasgow's geographical location and highly skilled engineering workforce, we believe our ambitions will be well served by this opportunity."*

Commenting on the announcement, Martin McKay, Executive Director of Regeneration at Clyde Gateway said: *"We are delighted that IWS has chosen Clyde Gateway as the location for its European headquarters. Our introduction to SHARC Energy Systems came through earlier work we were undertaking in the field of a local supply of low-cost, efficient and environmentally sustainable energy. It is an exciting concept that they are developing in terms of using a significant waste water resource, right in the heart of our regeneration area, to heat and cool buildings that we are looking to develop."*

SHARC Energy Systems has been working in a strategic alliance with Scottish Water Horizons, a commercial subsidiary of Scottish Water, to enable access to Scotland's sewer system to expand and accelerate the implementation of sewage heat recovery systems.

Donald MacBrayne, Business Development Manager at Scottish Water Horizons, commented: *"We are delighted that SHARC Energy Systems have based their manufacturing operations in Scotland. We are determined to maximise the opportunity of the natural heat beneath our streets to provide customers with a lower cost heating solution. Generating heat from waste water has huge potential across Scotland. The technology is well placed to support both urban and rural demand, bringing with it additional employment opportunities and making a significant contribution to Scotland's green energy ambitions"*.

Lynn Mueller (CEO) International Wastewater Systems commented: *"This is a very exciting opportunity for the company that demonstrates our enthusiasm for supporting the renewable energy journey that Scotland is pioneering, as well as confirming the use of sewage heat exchange as a vehicle for highly efficient district heating and cooling solutions. During a recent district heating network event in North America, I was very excited to discover that sewage heat exchange is under serious consideration as a vehicle for district heating and cooling systems across the world and our ability to support these ambitious programs to reduce the GHGE's from a buildings heating and cooling requirements is significant."*

The Company would also like to announce the cancellation of 5,110,000 stock options.

About the Low Carbon Infrastructure Transition Programme ("LCITP")

Funding from the LCITP — managed through the Scottish Government — has been granted to enable the development of five new projects that will play a pioneering role in transforming heating systems at various commercial and local authority sites. These include:

- Kelvingrove Art Museum, Glasgow
- Aqualibrium Leisure Centre, Campbeltown
- Pickaquooy Leisure Centre, Orkney

- Clyde Gateway district heating network (Shawfield and Dalmarnock Developments)
- Stirling district heating network

The Borders College campus in Galashiels was the first example in the UK of heat being extracted from the waste water network using SHARC technology, helping the college to realise 150 tonnes a year of carbon savings against their carbon reduction commitments.

About International Wastewater Systems Inc.

International Wastewater Systems Inc. (CSE: IWS) (FSE: WI) 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.

About SHARC Energy Systems:

SHARC Energy Systems is a wholly owned subsidiary of International Wastewater Systems Inc. The company has its UK and European headquarters in Leicester. Russ Burton (IWS COO and head of European Operations) has worked at a senior level in the property and commercial sectors for thirty years. SHARC represents the realisation of his personal interest in the renewable energy industry.

For more information: email: russell.burton@sharcenergy.com or milli.burton@iws-sharc.com , and follow the company on Twitter @sharcenergy.

About Scottish Water Horizons

Scottish Water Horizons Ltd is a commercial subsidiary wholly owned by Scottish Water. The company plays a key role in supporting the development of Scotland's sustainable and circular economy by making the most of the public utility's vast array of assets. From generating renewable energy from waste, wind and solar power to recycling food and aggregates waste, Scottish Water Horizons is improving connections, communications and enabling sustainable development.

The company's growth strategy is to support Scotland as a developing Hydro Nation and take opportunities to harness Scottish Water's asset base through both its own development and working in partnership with other organisations including the public and private sectors. For more information: email donald.macbrayne@scottishwater.co.uk www.scottishwater.co.uk/horizons

ON BEHALF OF THE BOARD

"Lynn Mueller"

Lynn Mueller

Chairman and Chief Executive Officer

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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.