

H2O Innovation takes on desalination of the future

H2O Innovation Inc. (TSXV: HEO | OTCQX: HE0FF) has won an award at the Global Water Summit in Athens last week. As the man who discovered Vitamin C said, “Water is life’s master and matrix, mother and medium. There is no life without water.” And we need to be looking for new sources of that medium, especially after California declared a drought emergency last year. H2O Innovation is helping to provide those new avenues of supplying communities with water.

They won the award at the Global Water Summit on April 28th. They received second prize distinction in the Global Water Awards Desalination Plant of the Year category for the Cambria California BWR0, (Brackish Water Reverse Osmosis) filtration plant which came online in March.

The plant is a portable, containerized, water filtration system that uses a combination of brackish (salt), water and waste water, run through multiple filtration systems to help meet the needs of the community during one of the worst droughts in California’s history. The water situation throughout the American South West is dire, but it is particularly grave in California where high populations and intensive agriculture make the lack of rain and snow melt a particularly economic problem. The environmental concerns of seasonal wildfires also make the demands on water extreme.

The plant being able to use both salt and waste water is a necessary solution for the increasing demands. Cambria is on the Pacific coast, so the availability of sea water makes desalination almost inevitable, and the re-use of waste water makes perfect economic and environmental sense. Unlike any other source of water, there is no shortage of waste water, and it is available for free, or even cheaper, (being able to

take it away in quantity is something you can get paid for). There is of course waste products to be dealt with from both water sources but the situation in California lead Gov. Jerry Brown to decree a drought emergency last year that is fast-tracking such projects with emergency permits.

H2O Innovation also announced yesterday they will release financial results for Q3 of 2015, on May 14 at 8 AM (EST). Additionally, their specialty chemicals business unit, known as Professional Water Technologies™ (PWT), has expanded sales over last year by 25%, and their warehouse space has expanded by 60% in California in April of 2015.

H2O Innovation is a Canadian Company based in Quebec City but the situation in California has created unprecedented business opportunities there. They are well positioned to take advantage of the fast-tracking that is resulting from the drought emergency decree. They have been involved in 40 filtration plants in California in the last ten years, including the 2nd biggest plant, in Monterey, according to Marc Blanchet Vice President of Corporate Affairs.

The Company is involved in many communities in Canada, including the Robson Raspberry Improvement District in BC, where they helped end an 18 year boil water advisory. There are 150 communities in BC alone with boil water advisories, some dating back as much as 23 years! So clearly the need for water filtration is not restricted to the South Western US. There are communities all over Canada, especially on First Nations reserves where this is a daily fact of life. The state of water contamination all over the world is even more shocking.



With climate change set to make water more scarce, and droughts more extreme, the need for water filtration technology to replace chemical purification, and the age old

act of boiling water will definitely scale up. The numbers for April that InvestorIntel released May 4th for our members included H2O Innovation, who were essentially even for the month. However, with the recent events, the fast-tracking of the Cambria filtration plant and the award it won at the Global Water Summit last month, it will be interesting to see the financial results they release on May 14th.