Press Release **04 July 2011**

Bluewater Bio International

("Bluewater Bio" or the "Company")

Bluewater Bio appoints Dr David Lloyd Owen

Head of Global Market Research and Senior Advisor

Bluewater Bio International, a global specialist in the treatment of wastewater, is pleased to announce it has appointed water industry expert David Lloyd Owen as Head of Global Market Research and Senior Advisor. David's appointment comes after Bluewater Bio signs its first major contract in the Middle East and completed the installation of its first HYBACs operation in South Africa.

David Lloyd Owen is founder of Envisager Limited, an advisory service for companies, NGOs, governments and financiers active in the water and wastewater management sectors and the markets they serve. Previously, David has had extensive investment experience in the sector as an equity analyst at BNP Paribas. He was a founding Director of Ecofin Limited and a Director of Research at Delphi International, two environmental investment boutiques.

David has worked for corporate clients, institutional investors, multilateral agencies and government bodies. He sits on the advisory board of Pictet Funds (LUX) Water Fund, which currently has assets of €2.3 billion under management, and XPV Capital, a Toronto based water sector venture capital firm. David's extensive publications include six books on the water sector, along with papers and conference appearances. He also writes a monthly column for Global Water Intelligence.

Daniel Ishag, CEO of Bluewater Bio, commented: "Bluewater Bio now operates in eight countries around the world and we are in a position to push forward commercially. David's appointment comes at a very opportune time for the Company as we expand into new markets and, along with Water Innovate in the UK, develop and sell new products. With the recent announcement of a US$20 million contract in the Middle East, and with announcements to come in our other geographies, we feel that strengthening our research and knowledge base will help us position ourselves to excel in the market place. David's

extensive experience and excellent reputation in the sector – both commercially and financially – will put Bluewater Bio in good stead as we start to tap into new markets."

David Lloyd Owen said: "This is a very exciting time for Bluewater Bio and I am very pleased to be joining a company that is at the forefront of wastewater treatment technologies. Having spent almost my entire career heavily involved with the sector, I feel that I can add real value to Bluewater Bio as it grows and develops its markets. I look forward to working with Daniel and the team. "

David is a Registered Corporate Finance Advisor (FSA), holds Chartered Geographer status (FRGS), Chartered Environmentalist status (MIEEM) and is a Member of the Securities Institute. His first degree was in Environmental Biology from Liverpool University and he has Doctorate in Applied Ecology from Oxford University.

– ENDS –

For further information, please contact:

Bluewater Bio International

Daniel Ishag — Tel: +44 (0) 20 7518 1747

daniel.ishag@bluewaterbio.com — www.bluewaterbio.com

Media enquiries:

Abchurch Communications Limited

Julian Bosdet / Ashleigh Lezard / Simone Elviss / Oliver Hibberd — Tel: +44 (0) 20 7398 7714

oliver.hibberd@abchurch-group.com — www.abchurch-group.com

About Bluewater Bio International

Bluewater Bio is the holding company of a group of companies which have developed a cost effective advanced biological solution for the treatment of wastewater. Bluewater Bio is involved at all stages of the process from plant design and costing through to installation, commissioning and training and, when required, the provision of ongoing operation and maintenance. The patented proprietary technology, called HYBACS^{TM}, is gaining acceptance among a growing number of companies both in Europe and in the Middle East as being

commercially superior to many existing treatment processes worldwide, across a wide range of treatment requirements. Bluewater Bio's strategy is to focus on selling HYBACS technology to both the municipal treatment sector and to industrial customers and polluters of water. This strategy aims to present customers with cost-effective HYBACS-based treatment and to offer solutions which provide the immediate treatment, capital cost benefits, wastewater reuse potential and also the lifetime operational expenditure benefits of the HYBACS process.

Bluewater Bio's product offering addresses wastewater treatment requirements associated with:

- municipal and domestic wastewater from cities and residential developments;
- upgrading existing sewage treatment plants to meet stricter regulations and legislation;
- wastewater reuse, providing high quality treated effluent for use in agriculture, irrigation, landscaping, and 'greening' initiatives where there is water scarcity, such as the Middle East;
- beverage wastewater from brewers and drink manufacturers;
- food processing wastewater, for example effluent from an abattoir or confectionary plant; and
- leacheate wastewater, which is the fluid which accumulates in landfill sites.

HYBACS is also able to treat efficiently a much wider range of organic industrial wastewaters, including highly concentrated livestock wastewater and the effluent from, among others, textile manufacturers, hospitals and factories.

The HYBACS system is applicable to new and existing works, over a wide range of scale, and has been proven commercially in over 25 applications.

The HYBACS process is an innovative nutrient removal hybrid activated sludge system, which has been developed from the process originating in South Korea. The process consists of two biological stages followed by clarification. The first stage is Bluewater Bio's Shaft Mounted Advanced Reactor Technology (SMART^{TM}) units, with attached biomass. The second stage is an activated sludge process, which suspended biomass. It has been demonstrated that the HYBACS system can produce effluents with qualities compliant with the most stringent European nutrient removal standards, albeit supplementary dosing may be needed to obtain compliance with the tightest TP standards.

Secondary Wastewater Treatment

Secondary treatment refers to the stage of wastewater treatment involving the substantial removal of the suspended biological content in sewage, and often of inorganic nutrients. Organic matter discharged into receiving water bodies is responsible for pollution, and excessive discharge of inorganic nutrients causes eutrophication, which is the excessive growth of algal matter in the receiving water body which ultimately can kill its entire aquatic ecosystem. Secondary treatment is preceded by primary treatment, which removes larger solids, grits and so forth through screening and settlement, and may be followed by tertiary treatment, involving a variety of additional modular processes to further clean the wastewater following secondary treatment.

- ends -