

AN UPDATE FROM AMANDA BROCK, CEO

January 2009

2009 is going to be an exciting year for WATER STANDARD.

- In 2008, we secured a commitment of up to \$250 million in funding – a significant achievement in the current global capital markets.
- We expanded our issued patent portfolio and brand awareness, inclusive of the *H₂Ocean* product line.
- We entered into a contract to purchase our first vessel, which will be converted and renamed the *H₂Ocean Cristina*. We have also contracted for long lead items purchasing, for example, our generators from Wärtsilä for delivery in early 2009.
- We are finalizing our designs for conversion of the *H₂Ocean Cristina* and are negotiating with globally respected EPCMs for the desalination and power components. We are on track to be producing water in the 1st Quarter of 2010.
- We are negotiating with shipyards to enter dry dock for conversion in the early 2009.
- Lisa Henthorne, world recognized expert with more than 20 years of experience in technology assessment, pre-treatment evaluation, pilot testing and design optimization for seawater desalination systems, joined our team as Chief Technology Officer. She is also the current President of the International Desalination Association (IDA).
- Our processes have been featured in a special presentation on worldwide water issues by the Sundance Channel which is recognized for its environmental focus.
- Goldman Sachs has stated, **“We consider WATER STANDARD to be one of the most exciting stories in the global water sector.”**



Additionally, the 2007 Global Water Awards honored our Seawater Desalination Vessel, which the judges called an *“important new direction in the evolution of the desalination industry.”* The recognition went on to say: *“Ship-based desalination plants have long been dreamed about in the industry. WATER STANDARD is the first company to pull together the engineering skills, the financial expertise and the marketing clout to make them a reality.”*

Clearly, we have increased our visibility, leveraged our innovation, and earned the confidence of the capital markets. As a result, we have everything in place to maximize the potential represented by the high-growth worldwide desalination market: We are ready for the next level and its challenges. Our accomplishments show that we have the capability and the viability to be a major player in efforts aimed at bringing water to people and places that desperately need it. We are mobile, which gives us significant advantages over land-based desalination – financial as well as environmental and operational. Consequently we can be highly flexible in the types of contracts and partnering arrangements we offer, from short-term arrangements to long-term supply for up to 20 years.

We are ready to work with you and we look forward to discussing how WATER STANDARD can be part of the solution to your water needs.