

INTERNATIONAL WASTEWATER SYSTEMS INC.

1443 Spitfire Place, Port Coquitlam, BC V3C 6L4

PRESS RELEASE

March 16, 2016

CSE: IWS; FRANKFURT: IWI

IWS ANNOUNCES AUSTRALIAN PROJECT

International Wastewater Systems Inc. (“IWS” or the “Company”) (CSE:IWS) (FRANKFURT:IWI) is pleased to announce its inaugural project in Australasia, a SHARC wastewater heat recovery system (“SHARC”) to be installed at a facility operated by the Australian Wool Testing Authority (“AWTA”) in Melbourne.

AWTA is the largest wool testing organization in the world and utilizes significant amounts of hot water at its testing facilities. Once testing is complete, thousands of liters of hot water are diverted to cooling tanks before being sent to the sewer system.

The SHARC will intercept the water being discarded from AWTA tests, capture the heat and then transfer the heat back into the boiler system. This will offset a significant amount of natural gas currently being used by ATWA’s boilers. The SHARC system at the ATWA facility is expected to produce approximately 680 kW/h of heat, reducing ATWA’s energy costs by up to 80% for the same application and reducing carbon emissions by approximately 600,000 kilograms annually.

The SHARC installation for ATWA is being led by Environmental Technology Solutions of Australia, a leading provider of energy efficiency and sustainability solutions with offices in Canberra and Melbourne. The SHARC is expected to be installed during the second quarter of 2016 with a value of approximately CDN \$300,000.

This will be the third installation of IWS technology at an industrial facility following installations at the Sechelt Water Resource Centre in Canada and the Camden County Wastewater Treatment Plant in the United States.

ON BEHALF OF THE BOARD

“Lynn Mueller”

Lynn Mueller
Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:
Yaron Conforti, CFO and Director at (416) 716-8181

About International Wastewater Systems Inc.

International Wastewater Systems Inc. (CSE: IWS) (FRANKFURT: IWI) 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.

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

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.