



MODERNWATER

RNS Number: 2341N
28 January 2016

Modern Water plc
(“Modern Water” or “the Group”)

Modern Water signs joint commercialisation agreement with Bilfinger Deutsche Babcock Middle East

Modern Water plc (AIM:MWG), the owner of leading technologies for water and wastewater treatment and the monitoring of water quality, announces that it has signed an agreement with Bilfinger Deutsche Babcock Middle East, one of the region’s leading service providers for construction, maintenance, rehabilitation, O&M and life cycle services in a range of industries.

The agreement covers the joint development and commercialisation of Modern Water’s proprietary Forward Osmosis technology, in conjunction with multi-stage flash (MSF) desalination plants across the Middle East and Northern Africa. The product offering will allow MSF desalination plant owners and operators to improve the performance and energy efficiency of both existing plants and any new plants under development.

Following a detailed successful assessment of the combined process, the parties are now developing their product offering for deployment at an operational desalination plant. During the initial pilot phase, the plant will develop and demonstrate the effectiveness of Forward Osmosis to osmotically dilute and soften the recirculating brine of the desalination plant, allowing an increase in top brine temperature (TBT), which crucially reduces both the thermal and electrical energy consumption, whilst maintaining the same output.

Simon Humphrey, CEO, Modern Water, said: “Our new strategy is to focus on industrial applications of our cutting-edge proprietary technologies, and this agreement with Bilfinger Deutsche Babcock Middle East is a significant endorsement of this new focus. Bilfinger Deutsche Babcock Middle East is a major player in the MSF desalination market, having built, maintained and upgraded many of the existing stock of plants in the

region. This project secures us another significant foothold in the hugely important Middle East and North Africa markets.”

Hakan Yapici, CEO, Bilfinger Deutsche Babcock Middle East FZE, commented: “We are pleased to work with Modern Water on this project: The installed fleet of MSF desalination plants is considerable and energy saving is becoming more and more a priority to our customers. We are proud to offer them cutting-edge technology that delivers these advantages.”

--Ends--

For further information:

Modern Water plc Simon Humphrey, Chief Executive	+44 1483 696 000
Numis Securities Limited Mark Lander (Corporate Broking) Richard Thomas (Nominated Adviser)	+44 2072 601 000
Tavistock Mike Bartlett Andrew Dunn	+44 (0) 207 920 3150

Notes to Editors:

About Modern Water

Modern Water owns, installs and operates world-leading membrane technology and develops and supplies advanced systems for water monitoring. Its shares trade on the Alternative Investment Market of the London Stock Exchange.

Modern Water has developed and commercialised world-leading patented Forward Osmosis desalination technology which can be used in a variety of industries. Its benefits include lower energy consumption, improved water quality and lower environmental impact. With a sales presence in almost 60 countries, the Group's Monitoring Division includes a leading real-time continuous toxicity monitor and trace metal analysers for monitoring the quality of drinking water.

www.modernwater.com

About Bilfinger Deutsche Babcock Middle East

The majority of desalinated water produced from seawater is produced using the multi-stage flash process; it particularly dominates in the Gulf Cooperation Council (GCC) countries.

Since 1969, Bilfinger Deutsche Babcock Middle East is present in the GCC market as a major service, rehabilitation and construction contractor in the Power, Desalination, Oil & Gas sectors. Its long-lasting relations with plant operators, public and private utilities and large industrial groups have allowed building a solid reputation of competence and reliability. Its geographical reach in the region includes UAE, Bahrain, Saudi Arabia and Kuwait.

The company has recently extended its offer to the upgrade of existing desalination plants by innovative concepts able to deliver more value to the customer, both by in-house know-how and through strategic partnerships.

www.babcock.bilfinger.com