



Press Release
28 March 2008

Modern Water broadens access to new technology

Modern Water plc announced today that it has formed a strategic alliance with research-based consultancy group WRc plc to gain access to WRc's water, wastewater and environmental intellectual property (IP).

The alliance will enable Modern Water to assist with, and benefit from, the development and commercialisation of WRc's IP where both parties see mutual business benefit. Modern Water plans to work with WRc to help attract investment to projects where it sees commercial potential and the two companies will also work together on licensing agreements. Modern Water will benefit from new revenue streams linked to the WRc technology.

WRc provides consultancy in the water, waste and environment sectors. With skills in the engineering, science, environmental, social and financial fields, WRc assists governments and regulatory bodies in the formation of regulation, and helps water utilities, their suppliers, local authorities and waste organisations to optimise operational efficiency and minimise risk.

WRc has a strong research and development base and a proven track record of delivering quality-assured, innovative and technologically robust projects around the world. As part of the agreement, Modern Water will also benefit from access to WRc's resource base, which includes a 200-strong team with a huge amount of industry experience.

Ron Chapman, WRc's Chief Executive Officer, said:

"We are extremely pleased to be in partnership with Modern Water, and see this as an excellent route to market for WRc's unexploited ideas and novel concepts. We look forward to a close and successful relationship with Modern Water."

Neil McDougall, Executive Chairman of Modern Water, said:

"We are delighted to be working with WRc and are enthusiastic about what each company will bring to the table. WRc's research capabilities combined with Modern Water's focus on commercialising technology should make for an exciting and prosperous relationship."

ENDS

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Notes to editors

- Modern Water listed on the London Stock Exchange AIM market in June 2007 having raised £30m.
- The Group was established to build and exploit a portfolio of water technologies to address problems of the availability of freshwater and the treatment and disposal of wastewater.
- The Group is initially concentrating on two distinct approaches to the water market being: (i) desalination; and (ii) the substitution of fresh water with sea water or recycled water for certain non-potable uses.

- The Group's strategy is to acquire key stakes in appropriate technologies within these areas and to date has made investments in Surrey Aquatechnology Limited and Poseidon Water Limited. The Group also has an investment in Cymtox Limited.