

## **Chembond Chemicals Ltd and H<sub>2</sub>O Innovation, Inc. sign joint venture agreement, create H<sub>2</sub>O Innovation India Ltd**

**Mumbai, India, February 1, 2010** – Chembond Chemicals Limited of Mumbai, India, (“Chembond”), a leading manufacturer and supplier of specialty performance chemicals to industries across India and H<sub>2</sub>O Innovation Inc. of Quebec City, Canada, (“H<sub>2</sub>O Innovation”), a complete water treatment solutions company providing custom designed high performance systems for municipal, commercial, and industrial applications, announced the execution of a joint venture agreement to create H<sub>2</sub>O Innovation India Limited (“H<sub>2</sub>O Innovation India”), a company dedicated to providing water treatment systems and maintenance services to industrial, commercial and residential markets.

The execution of the Agreement took place during a press conference held at the Taj Mahal Palace & Tower in Mumbai prior to the official inauguration of the Quebec Office in Mumbai, in the presence of Mr. Jean Charest, Premier of Quebec and Dr. Indu Shahani, Honourable Sheriff of Mumbai, amongst other dignitaries.

Dr. Vinod Shah, Chairman of the Board, signed on behalf of Chembond Chemicals Limited and Mr. Frédéric Dugré, President and CEO, signed the Agreement for H<sub>2</sub>O Innovation Inc.

We are pleased to partner with H<sub>2</sub>O Innovation, a like-minded, solid and knowledgeable player in the water treatment industry, and we are confident that our expertise and existing long standing client relationships with many of India’s leading manufacturing and commercial companies will actively contribute to the future successes of H<sub>2</sub>O Innovation India”, stated Dr. Vinod Shah.

“We are extremely pleased to be here today in the distinguished presence of Mr. Jean Charest, his Ministers and Dr. Indu Shahani, Honourable Sheriff of Mumbai, to announce our joint venture with Chembond. H<sub>2</sub>O Innovation India is our first operational base outside of North America. Creating this joint venture is a strategic complement to our growth strategy aimed at increasing our international sales and in particular our level of industrial and commercial sales. We are confident that H<sub>2</sub>O Innovation India will be successful in pursuing niche opportunities and applications and look forward to start working immediately with our new partners”, stated Frédéric Dugré.

H<sub>2</sub>O Innovation India would design, manufacture, service and undertake O&M contracts for water and wastewater treatment equipment. “The focus would be on providing cost-effective and practical solutions for industrial wastewater reclamation and reuse, production of boiler feed and process water, as well as for wastewater treatment for re-use in residential, commercial and institutional segments. We would build on H<sub>2</sub>O Innovation’s experience in designing and building sea water desalination, brackish water treatment and municipal water treatment plants and leverage that experience in India”, added Nirmal Shah, Managing Director of H<sub>2</sub>O Innovation India Limited.

Chembond will own 51% of the shares of the joint venture and H<sub>2</sub>O Innovation will own the remaining 49%.

Throughout India, Chembond operates five manufacturing plants and five sales offices and serves a roster of leading manufacturing companies—Indian and international—in several industries but particularly in the automotive assembly, refining and petrochemical, power generation, steel and construction. The addition of Chembond's client base with H<sub>2</sub>O Innovation's knowledge and expertise in custom-designed and packaged water treatment systems for industrial and commercial applications will be of core importance to the success of the joint venture.

#### **About Chembond Chemicals Limited**

Founded in 1975, Chembond Chemicals Limited has headquarters in Mumbai and focuses on the speciality chemicals segment. The company is listed on the Mumbai Stock Exchange (BSE: CHEMBOND) and has an established presence across India. It operates four divisions – construction chemicals, coatings, trading and biotechnology; and two joint ventures – Henkel Chembond Surface Technologies Ltd. and Chembond Ashland Water Technologies Ltd. Chembond has been growing consistently over the years on the strength of its technology and service capabilities and counts over 500 employees. More information on Chembond Chemicals Limited can be found on Chembond's website at [www.chembondindia.com](http://www.chembondindia.com).

#### **About H<sub>2</sub>O Innovation Inc.**

With 10 years of experience developing water treatment solutions, H<sub>2</sub>O Innovation is establishing itself as a key player in sustainable development and clean technologies in North America and abroad. H<sub>2</sub>O Innovation designs, develops, produces, and integrates state-of-the-art custom-built water treatment systems for the production of drinking water, the reclamation of water, the treatment of wastewater and industrial process water in the municipal, commercial, industrial, oil & gas, mining, and energy markets. Additionally, the Company offers complete operating and maintenance solutions for membrane filtration and reverse osmosis systems. H<sub>2</sub>O Innovation has approximately 100 employees and eight offices including three manufacturing and assembly plants in Canada and the United States. Shares of H<sub>2</sub>O Innovation are listed on the TSX Venture Exchange (HEO) as well as on the NYSE Euronext Alternext Exchange (MNEMO: ALHEO). For more information about H<sub>2</sub>O Innovation, visit the Company's website at [www.h2oinnovation.com](http://www.h2oinnovation.com)

#### **Source:**

Chembond Chemicals Limited; [www.chembondindia.com](http://www.chembondindia.com)  
H<sub>2</sub>O Innovation Inc.; [www.h2oinnovation.com](http://www.h2oinnovation.com)

#### **Contacts:**

**India:** Nirmal Shah, +91 22-6614-3000, [nirmal.shah@chembondindia.com](mailto:nirmal.shah@chembondindia.com)

**Canada/U.S.A.:** Guillaume Ducharme, +1 418-928-0234, [guillaume.ducharme@h2oinnovation.com](mailto:guillaume.ducharme@h2oinnovation.com)