

6 October 2014

Modern Water plc ("Modern Water" or "the Group")

Government of Gibraltar Appoints Modern Water JV as Preferred Bidder for Wastewater Treatment Plant

Modern Water plc (AIM:MWG), the owner of leading water and wastewater technologies and monitoring of water quality, is pleased to announce that today, H.M Government of Gibraltar has appointed a Joint Venture between Northumbrian Services Limited and Modern Water Services Limited ("MWSL") as preferred bidder for a new wastewater treatment plant in Gibraltar (the "Project").

The contract will include the design, build, finance and operation of a wastewater treatment plant capable of treating urban wastewater for the entire population of Gibraltar as well as storm flows. Discussions between the parties over the detailed terms of the Project will now commence. MWSL is the lead contractor in respect of the design and build of the Project with a current contract value of approximately £22 million.

As Gibraltar has the second highest population density in Europe and limited land availability the plant design will have a small footprint and low power requirements as electricity is at a premium in Gibraltar. The project scope requires the plant to be completely enclosed and landscaped to visually enhance the local environment as well as have stringent odour control to comply with rigorous emission standards. In addition, a roof top car park will be provided under the contract terms. The plant will be designed to allow for future capacity upgrades over the life of the contract to meet population and effluent flow increases without interruption to the operation of the plant and be operated by the Joint Venture for 20 years.

Simon Humphrey, Modern Water CEO, said: "Modern Water has been active in Gibraltar since 2009 with its state-of-the-art forward osmosis testing facilities located on the peninsula and is delighted to be part of the Joint Venture that has been appointed as preferred bidder for this important wastewater treatment plant. Modern Water's experience of treating saline wastewater was a key factor in securing this project."

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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