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PRESS RELEASE

May 29, 2017

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International Wastewater Announces Private Placement Offering

VANCOUVER, B.C., May 29, 2017 – International Wastewater Systems Inc. (“IWS” or the “Company”) (CSE: IWS; FSE: IWI; OTC: INTWF) is pleased to announce that it is offering, on a non-brokered private placement basis, up to 2,000 debenture units (the “**Debenture Units**”) at a price of \$1,000 per Debenture Unit for gross proceeds of up to \$2,000,000 (the “**Placement**”).

Each Debenture Unit will consist of one \$1,000 principal amount senior unsecured convertible debenture (the “**Debenture**”) and 2,500 share purchase warrants (each a “**Warrant**”), each exercisable into one common share of the Company (the “**Shares**”) at \$0.30 per Share for a period of three years from the date of issuance.

The Debentures will bear interest at a rate of 12% per annum from the closing date of the Placement (the “**Closing Date**”) and will mature on the date that is 36 months from the Closing Date (the “**Maturity Date**”). The Debentures are convertible into Shares at \$0.30 per Share at the option of the holder at any time until the Maturity Date, subject to adjustment in certain events.

Pursuant to the terms of the Warrants, the Company may abridge the exercise period of the Warrants at any time after the date that is four months after the Closing Date and before the expiry of the Warrants, if the volume weighted average closing price on the Company’s Shares on the Canadian Securities Exchange (the “**CSE**”) (or such other stock exchange on which the Shares are traded if the Company’s Shares are no longer traded on the CSE) is for a period of 20 consecutive trading days greater than \$0.60 (the “**Trigger Event**”) by providing written notice to the warrant holders within 30 days of a Trigger Event. The Warrants will, unless exercised, expire on the 30th day after the Company provides such written notice to the warrant holders.

The Company may pay finder’s fees in connection with the Placement. Proceeds of the Placement will be used to help facilitate expenditures required for the five Contracts awarded to IWS previously announced on May 10, 2017; as well as Prospect Silicon Valley which focuses on commercialization of our heat exchange technologies in the central California; and for general working capital. All securities distributed pursuant to the Placement will be subject to a statutory hold period of four months and a day from the date of issuance. The Placement will not be offered in the United States. Closing of the Placement is subject to receipt of all necessary regulatory approvals.

About International Wastewater Systems Inc.

International Wastewater Systems Inc. is a world leader in thermal 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. IWS is publicly traded in Canada (CSE: IWS), the United States (OTC:INTWF) and Germany (Frankfurt: IWI).

ON BEHALF OF THE BOARD

“Lynn Mueller”

Lynn Mueller

Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

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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.