



News Release

IWG SEES GROWTH IN ITS AEROSPACE BUSINESS

August 7, 2002

Burnaby, BC, Canada - International Water-Guard Industries Inc. is pleased to announce that despite the overall sluggish pace of the worldwide aerospace industry, there are several positive new indicators for the Company's aerospace business.

"Although we have experienced an operational slowdown as a result of the worldwide aviation downturn, we are seeing definite signs of a recovery," said IWG President and CEO Bill Coote. "Our order backlog has more than doubled from March, which we believe puts us past the worst of the slowdown caused by the events of last September," he added.

Research and Development work has been progressing on a new model of ultraviolet disinfection unit: the NPS-A6. Designed at the request of a large business aircraft manufacturer, the NPS-A6 will adopt the improved functionality of the successful NPS-A3 model with a higher flow rate suitable for larger aircraft types. IWG will begin shipping the certified new product this fall. To date, over 700 of the Company's aircraft potable water treatment units have been installed in business jets, military aircraft, and privately registered airliners around the world.

IWG's potable water systems business has been moving ahead as well. The Company's patent-pending Circulating Potable Water System (*C-PWS™*) concept can be applied to all types of aircraft with an onboard water system, and IWG has been expanding the number of models equipped with the new system.

For example, the Company's first Gulfstream G-IV aircraft installation will be completed this month. The Gulfstream G-IV is owned by the Detroit Pistons organization, and the IWG *C-PWS™* is being installed at Gulfstream's aircraft completions facility in Savannah, Georgia.

In addition, IWG has entered the advanced stages of negotiations for its first water system installation on a Boeing aircraft. The Boeing BBJ aircraft is a version of the Boeing 737 NG; one of the world's most successful commercial aircraft. IWG has already completed the engineering required for a *C-PWS™* installation on this aircraft type. As with the Gulfstream G-IV, IWG will hold the all-important multi-ship Supplemental Type Certificate (STC), which allows subsequent installations without the regulatory hurdles of an initial installation.

IWG already holds the STC for *C-PWS™* installations on the Bombardier Global Express business jet, so with the certification of the Gulfstream G-IV system and the addition of a Boeing BBJ/737 NG installation, the company will be well positioned to market the many advantages of the *C-PWS™* to the manufacturers and operators of three of the world's most popular business and commercial aircraft.

"I am also encouraged by the recent Commercial and Business Aviation Advisory Circular produced by Transport Canada, which indicates that regulatory agencies are now paying much closer attention to the quality of potable water on airlines and business jets," Coote said.

The Advisory Circular (No. 0208) was produced with input from Health Canada, which administers the *Department of Health Act*, the legislation responsible for the protection of public health on aircraft. The Circular notes that not all air operators are aware of the maintenance requirements for potable water systems and recommends that they become compliant with the regulations and develop a documented Water Quality Management Program.

Concern about aircraft water quality is not restricted to Canada; a fact that IWG sees as a positive sign for its aerospace business. Government health authorities in both Japan and Britain have recently conducted testing on commercial aircraft potable water supplies and found unacceptable levels of microbial contamination on the majority of aircraft tested. In addition, the U.S. Food and Drug Administration's Public Health Service has issued Warning Letters to a number of U.S. airlines detailing unsanitary conditions related to the potable water systems on their aircraft.

With its focus on the Boeing 737/BBJ aircraft, along with the development of the higher flow rate NPS-A6 ultraviolet potable water disinfection unit, IWG is well prepared for an increased level of interest in its products from commercial airlines. IWG is the world's only manufacturer of flight-certified ultraviolet disinfection equipment, and is therefore uniquely situated to capitalize on these growing concerns about aircraft potable water safety and quality.

In closing, Coote said that "notwithstanding the current stock market turmoil, we are committed to continue building shareholder value in our business operations, and expect that the industry momentum we see building will soon be reflected."

International Water-Guard Industries Inc. is a Canadian water treatment company providing total water treatment solutions to aviation, industrial/commercial, and residential customers throughout the world. Services include water treatment needs analysis, system design/assembly, and ongoing support. IWG has expertise in all aspects of water treatment, including advanced filtration, ultraviolet disinfection, reverse osmosis, deionization, etc.

On behalf of the Board of Directors
International Water-Guard Industries Inc.

"C.W. Coote"
President & CEO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

TSX VENTURE: IWG
International Water-Guard Industries Inc.
3133 Sumner Avenue, Burnaby, BC V5G 3E3 Canada
Tel: (604) 255-5555, 1-800-667-0331, Fax: (604) 255-5685
www.waterknowledge.com