

News Release

International Water-Guard Restructures – Focus is Aerospace

June 25, 2004

Burnaby, BC, Canada - International Water-Guard Industries Inc. (IWG) announces that it is restructuring its business with a focus on the aerospace sector, and will be seeking a buyer for the company's industrial and commercial water treatment business.

"With the growth of our aerospace business, it has become clear that our aviation products and systems, along with their associated intellectual property, are the core and future of our company," said David Fox, IWG's President and CEO. "We hold a unique niche in the aerospace world, and we need to direct all our resources at it to continue growing. It already generates 80% of our sales. Our industrial and commercial water treatment business has been established over many years, and will be of interest to companies with a different business model. This decision will allow us to focus our energies on the portion of our business where we truly are the world leader."

IWG's initial market was industrial and commercial water treatment with special expertise in ultraviolet water disinfection equipment. As a result, the company has a full range of closed chamber and open channel UV disinfection products, and an extensive customer list. Since the development of its flight-certified water treatment units, and particularly since the marketing of its patented aircraft circulating potable water system began, the bulk of IWG's revenues have come from the aviation sector. Today, 900 IWG water treatment units are flying on large business jet types and VIP configured airliners. The patented IWG circulating water system (C-PWS[™]) has been retrofitted to Bombardier Global Express, Gulfstream GIV, Airbus A-310, and Boeing BBJ aircraft.

IWG's industrial and commercial water disinfection units are in service around the world in a wide range of applications, including: aquaculture, agriculture, food and beverage plants, pharmaceutical and electronics production facilities, as well as industrial and residential wastewater disinfection.

"We will of course continue to support our industrial customers during this transition period, both in terms of spares and new systems, and we will provide the eventual purchaser with everything necessary to ensure that our existing products can be supported well in to the future," Fox added.

International Water-Guard Industries Inc. is a Canadian aerospace company focusing on aircraft potable water treatment and full water system solutions. IWG has expertise in all aspects of water treatment, and has the products and know-how to provide high quality water for passengers and crew, while saving weight and space for the aircraft operator.

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

TSX VENTURE: IWG

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