



# News Release

## IWG COMPLETES MILLION DOLLAR PRIVATE PLACEMENT

May 5, 2005

Burnaby, BC, Canada - International Water-Guard Industries Inc. (IWG) is pleased to announce that it has closed its previously announced private placement with the issue of 12,572,000 common shares at \$0.08 per share, for total proceeds of \$1,005,760.

"This completion provides a very positive base for our development plans," said David Fox, IWG President and CEO. "In immediate terms it finalizes the clean-up of our balance sheet, but of more strategic importance, it will help us capture some very real opportunities in both the business aviation market, and in the emerging airline market for our products."

The company will use the proceeds to finance marketing and engineering activities, provide working capital, and retire certain debt obligations. Mr. K. A. Mellquist, a director of the Company, has purchased 4,165,000 of the shares issued under the private placement, for investment purposes, increasing his ownership of the Company's shares to above 10%.

Prior to announcing this private placement, the company announced it had sold its industrial/ commercial water treatment business and assets for \$300,000. Funds from this divestiture were used to pay down creditors in negotiated settlements for payables and notes outstanding.

The securities issued under this private placement have a hold period of four months expiring on August 30, 2005 as to 5,664,500 shares or expiring on September 4, 2005 as to the remaining 6,907,500 shares. In addition, 320,000 finder's warrants exercisable at \$0.10 for a period of one year after closing, have been issued.

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.

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

"David C. Fox"  
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**  
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