



News Release

FISCAL 2005 RESULTS ANNOUNCED

December 20, 2005

Burnaby, BC, Canada -

International Water-Guard Industries Inc. (IWG) reports sales in fiscal 2005 of \$3,134,809, with an operating profit of \$163,597 before special items, compared to an operating loss of (\$126,979) in the prior year. Net earnings of \$914,111 for the year compared to a net loss of (\$3,961,291) in the previous year.

Current year net earnings includes gains of \$750,514 from the sale of the company's industrial/commercial division assets and from the settlement of debts, less certain asset write-downs related to a move to a new manufacturing facility. The prior year net loss included a \$3,786,834 write-down of deferred development costs.

Sales of aviation water treatment equipment and parts grew during the year by 32%. In the prior year, five aircraft circulating potable water systems were delivered against specific contracts, in addition to which the US dollar reduced in value, hence total aviation product sales in 2005 of \$2,937,546 decreased by 7% from fiscal 2004's aviation sales of \$3,153,106.

Prior to divestiture of the company's Industrial division on February 11, 2005 sales of \$197,263 related to aquaculture and other water process applications were made, representing 6% of fiscal 2005 sales.

"The numbers speak for themselves," said David Fox, IWG's President & CEO. "We have managed a dramatic re-engineering of the company in fiscal 2005, and shown four profitable quarters. Our challenge is now to grow the company, and realize some of the exciting opportunities that we see before us in both the commercial and business aviation markets"

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.

"D.C. Fox"
President & CEO

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

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