



INTERNATIONAL
Water·Guard

News Release

IWG ANNOUNCES 2006 THIRD QUARTER RESULTS - RECORD REVENUES EXCEED \$1M

July 27, 2006

Burnaby, BC, Canada - International Water-Guard Industries Inc. is reporting third quarter sales results of \$1,014,000 for the third quarter of fiscal 2006. This represents an increase of 40% over the same quarter in the previous year. Total revenues for the first three quarters of FY2006 are \$2,733,000 compared to \$2,319,000 for FY2005, an increase of 18%.

Third quarter earnings were \$152,000, with \$338,000 year to date, compared to earnings from operations of \$42,000 (restated and before special items) in the prior year's third quarter, \$95,000 year to date. Special gains also reported in the prior year were \$750,000. These results for the quarter provide \$nil net earnings per share (\$0.01 year to date) compared to net earnings of \$nil per share (including special items) in the third quarter of the prior year (\$0.04 year to date) on both a basic and fully diluted basis.

"Breaking the million dollar mark is a significant milestone for us, and represents a new record" noted David Fox, IWG President & CEO. "We are demonstrating, on a quarter by quarter basis, that the concern with aircraft water quality continues to grow, and that we are meeting the industry's needs to address this concern"

International Water-Guard 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, and light weight, space saving solutions for the aircraft operator.

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

"David C. Fox"
President and 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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