CompanyWater Intelligence PLCTIDMWATRHeadlineNew Product DevelopmentReleased07:00 14-Jun-2011Number3617l07

RNS Number : 3617I Water Intelligence PLC 14 June 2011

Water Intelligence plc (AIM: WATR) ("Water Intelligence" or the "Company")

Major UK water utility backs development and commercialisation of new water monitor and leak detection product

Water Intelligence, a leading provider of water monitoring, leak detection and remediation services, operating in both the US and internationally announces that a UK major water utility, South West Water Limited, is backing the development and commercialisation by Water Intelligence of a new hi-tech device that will allow metered domestic water users to monitor their own water use and identify quickly when a leak has occurred.

"Domestic Reporter" represents a broadening of the Company's existing "Leakfrog" technology, which was developed in conjunction with Thames Water. In September 2010, the Company announced an order for Leakfrogs from Thames Water worth £177,000; delivery was completed in March 2011.

Domestic Reporter is being designed to allow households to monitor water usage, usage over the previous day, week or month and the projected cost of their annual water bill, based on the usage at that time. The Company currently expects orders for the product, subject to successful development and testing, to commence in the UK towards the end of 2011. A number of distribution channels for the products are being considered.

South West Water is providing financial and technical support to the Company's development of the Domestic Reporter product.

In addition, the Company is discussing with potential partners extending its non-invasive leak detection services as part of a "one-stop shop" strategy in the UK.

Water Intelligence is also investigating making Domestic Reporter available for the US market where the problem of water loss and property damage from leaks is also significant and where the Company's wholly- owned subsidiary, American Leak Detection ("ALD"), is the leading nationwide solution provider for precision leak detection services.

The Company recently sold a franchise for New York City, where Mayor Bloomberg has publicly announced a water strategy that is very compatible with the Company's business vision. New

York City has committed to a US\$ 250 million public investment in new water meter readers and the launch of a "Leak Notification program" to provide integrated solutions to minimize water loss.

Dr. Patrick DeSouza, Executive Chairman of Water Intelligence, commented:

"We are delighted to be working with South West Water, which provides water services throughout Cornwall and Devon and in small areas of Dorset and Somerset to some 1.6 million people, of whom some 70% have metered water supply. Development of this new product supports our stated strategy when the enlarged group was admitted to AIM in July 2010: to provide both water management products and services as a 'one-stop shop' for leak alerts and precision, non-invasive leak detection and remediation."

William ("Bill") E. Palmer, III, President of American Leak Detection, added:

"We recognize that because of the increasing cost of water, markets and regulators are looking for integrated solutions to minimize water loss; we are well-positioned to deliver such solutions given our track record and non-invasive leak detection and remediation services footprint. We will work to adapt these UK product solutions for the US market and seek to accelerate the growth of our franchisees' businesses."

14 June 2011

ENQUIRIES:

Water Intelligence plc Patrick DeSouza, Executive Chairman

Merchant Securities Limited David Worlidge

College Hill Gareth David Tel: +1 203 654 5426

Tel: +44 20 7628 2200

Tel: +44 20 7457 2020

This information is provided by RNS The company news service from the London Stock Exchange