

Water Intelligence plc (AIM: WATR.L) ("Water Intelligence", the "Group" or the "Company")

UK installations begin of new Commercial Reporter product

Water Intelligence is a leading provider of water monitoring products and leak detection and remediation services

As anticipated in its interim results announcement on 30 September, the Group is pleased to announce that it has remained on track and begun installations of its *Commercial Reporter*, a product for monitoring of water flow, pressure and billing.

The units have been placed last week at two select customer sites in southern England – one at a utility and one at a railway station - to demonstrate to customers the breadth of use cases for the product. The company plans a few more installations at different customer sites in the coming weeks.

The units at both locations are functioning properly, and data is being passed through to the web based system to enable a managed service capability. After trials have been completed during the next month, Water Intelligence expects to receive orders for the product during Q1 2012 in keeping with its previously announced plan.

Commercial Reporter is a low-cost data logger and Automatic Meter Reading (AMR) Unit that allows a water user to closely monitor water usage and can also be used by water utilities to intensively monitor usage in a specific area, as well as providing a managed service to its business users.

This is one of two new products currently being developed by the Group, following the successful commercialisation of its earlier "*Leakfrog*" product, which is supplied to utilities such as Thames Water

In addition to the *Commercial Reporter* product, two UK water utilities, Thames Water and South West Water Limited, are already supporting commercialisation of the *Domestic Reporter* product, a hi-tech device that will allow metered domestic water users to monitor water use and identify when a leak has occurred. Prototypes of this unit are expected to be delivered in early February.

Last week, the UK Department of Environment, Food and Rural Affairs publicly reiterated its concern over the lack of water efficiency; moreover its regulatory arm, Ofwat, has been vigilant in placing fines upon water utilities. The addressable market, driven by demand pull for *Commercial and Domestic Reporters*, respectively, amounts to millions of units.

Patrick DeSouza, Executive Chairman of Water Intelligence, comments:

"Alongside our established and growing US-based American Leak Detection services business we have been working hard on developing new products in the UK to assist in the monitoring of water usage.

"These products would enable Water Intelligence to rapidly scale its business by (i) adding a strong new revenue driver and (ii) creating a "One Stop Shop" for customers whereby alerts to the presence of leaks via our products could be bundled with our non-invasive leak detection and remediation services as part of a managed service.

"I am pleased by the progress we have made in the commercialisation of our two new smart monitoring products and look forward to being able to announce the first orders for them over the coming months. Moreover, we also look forward to working

with our franchisees to adapt these products for the US market where our franchisees already sell to over 100,000 residential, commercial and municipal customers annually."

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ENQUIRIES:

Water Intelligence plc (www.waterintelligence.co.uk)

Patrick DeSouza, Executive Chairman

Tel: +1 203 654 5426

College Hill

Gareth David

Tel: +44 20 7457 2020