

## Regulatory Story

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<b>Company</b>	<a href="#">Aqua Resources Fund Limited</a>
<b>TIDM</b>	H2O
<b>Headline</b>	Investment in In-Pipe Technology Company, Inc
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AQUA ANNOUNCES FOLLOW-ON INVESTMENT IN IN-PIPE TECHNOLOGY COMPANY INC.

10 August 2010: Aqua Resources Fund Limited ("Aqua"), the Authorised Closed-ended investment scheme managed by FourWinds Capital Management ("FWCM") and established to invest in global water opportunities, announces today that its wholly owned subsidiary, Aqua Resources (In-Pipe) Holdings Limited ("ARHL") has agreed to exercise its right to acquire a further 8 percent of the fully diluted share capital of In-Pipe Technology Company, Inc., a corporation organised under the laws of the State of Delaware and the successor corporation to In-Pipe Technology Company, LLC ("In-Pipe"). In-Pipe provides engineered biological solutions for the pre-treatment of wastewater at strategic locations throughout the sewer collection system and at the wastewater treatment plant.

Aqua announced its initial investment in In-Pipe on 7 August 2009. The transaction was structured in two tranches. In the first tranche, completed on 6 August 2009, ARHL invested US\$3 million (EUR2.09 million) in exchange for approximately 14 percent of the fully diluted share capital of In-Pipe. It was also granted a warrant to acquire further shares in In-Pipe up to a further 2 percent of the fully diluted share capital of In-Pipe (as at 6 August 2009) (and hence the statement in Aqua's 7 August 2009 announcement that it had invested US\$3million in exchange for approximately 16% of the fully diluted share capital). This warrant was never exercised and has now been canceled and replaced by a new warrant described below.

In the second tranche, announced today, ARHL has acquired a further 8 percent of the fully diluted share capital of In-Pipe (as at 9 August 2010) for approximately US\$2 million (EUR1.51 million). As part of this second tranche, ARHL has also been issued a new warrant representing the right to purchase an additional 3 percent of the fully diluted share capital of In-Pipe (as at 9 August 2010) for an undisclosed exercise price. If it exercises this new warrant, ARHL will own approximately 24 percent of the fully diluted share capital of In-Pipe (as at 9 August 2010).

In-Pipe provides unique and best in class proprietary solutions primarily to the municipal treatment sector. Its patented technology transforms miles of sewer pipe into an active part of the wastewater treatment process, optimising the entire infrastructure. This innovative approach enables In-Pipe to take

advantage of the natural retention time in the sewer, and the large amount of biofilm surface area in the miles of sewer piping, efficiently pre-treating wastewater en-route to the plant, with no energy input. This improves operating economics without additional capital expenditure. In-Pipe increases operating efficiency by reducing influent organic loading and the costs associated with sludge handling and disposal, expensive chemicals, and energy usage. In-Pipe improves water quality for discharge or re-use by reducing influent organic loading and effluent pollutant levels. In-Pipe has helped compliant plants function more efficiently and has helped non-compliant plants achieve their targets. Since it uses natural, biological methods that work synergistically with the treatment plant's own biological processes, In-Pipe is a leading sustainable solution both environmentally and economically.

"We are delighted that Aqua continues to invest in In-Pipe" said John Williams, President & CEO of In-Pipe. "In-Pipe continues to expand its installation base in North America and the synergistic relationship with Aqua is providing additional growth opportunities off-shore."

Valerie Daoud Henderson, Head of the Europe Environment Group at FWCM commented on the announcement, "We are very pleased to announce Aqua's continued support to In-Pipe, a fast growing and environmentally sustainable process provider, bringing innovative solutions to the municipal wastewater sector while focusing on increased efficiencies and reduced capital expenditure requirements".

Foreign exchange calculations have been based on the following rates: US\$1: 0.6971 EUR as of 6 August 2009 and US\$1: 0.6971 EUR as of 4 August 2010.

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Notes to Editors

Aqua is a Guernsey-domiciled Authorised Closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised closed-ended Investment Schemes Rules 2008.

Aqua's ordinary shares were admitted to listing on the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 24 July 2008.

Aqua's investment objective is to provide long term capital appreciation through exposure to a diversified portfolio of water-related investments. Aqua will invest principally in businesses that are involved in i) water treatment and recycling (i.e. wastewater and recycling, water treatment and purification), ii) water infrastructure (i.e. water distribution) or iii) water application and conversion (water-to-energy and desalination) with the objective of capturing the growth opportunities emerging from the attractive long-term dynamics driving the water industry.

[www.aquaresourcesfund.com](http://www.aquaresourcesfund.com)

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