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FOR IMMEDIATE RELEASE:
PRESS RELEASE

Nitto Denko Announces \$60M Expansion of RO Membrane Capacity.

58,000 square foot manufacturing unit to increase membrane production by an initial 60 percent.

Oceanside, CA ... Hydranautics' parent company Nitto Denko announced this week that they are commencing major new construction at their Shiga, Japan membrane manufacturing plant. The new \$60M manufacturing unit is dedicated to producing reverse osmosis membranes that are primarily used in seawater desalination and wastewater recycling. Only a fraction, .007 percent (*World Health Organization*), of the world's fresh water is available to humans for consumption and life improving processes; Nitto Denko's new expansion makes a valuable contribution to solving the worldwide water shortage problem by meeting the increasing global demand for reverse osmosis membrane elements.

With construction slated to begin in June 2008 and complete in March 2009, the four-story/58,000 square foot Shiga production unit will employ state-of-the-art coating and automation technologies designed to ramp up the site's membrane manufacturing capacity by an initial 60 percent, with the ability to increase on par with fluctuating market demands. The expanded Shiga plant - together with Hydranautics, USA and their sister manufacturing facility in Shanghai, China - solidifies Nitto Denko's top-ranking share of the global membrane market. Planned global expansion of manufacturing over the next five years triples Nitto Denko's membrane capacity: by 2012, Nitto Denko will be providing, by desalination alone, clean drinking water to over 100 million people.

Founded in 1963, Hydranautics has been committed to the highest standards of technology, research, product excellence and customer satisfaction. In 1987, Hydranautics became part of Nitto Denko, a multi-billion dollar corporation headquartered in Osaka, Japan. Nitto Denko was started in 1918, producing electrical insulation materials; it now has over 114 companies in more than 20 countries, with over 20,000 employees worldwide.

Hydranautics and parent company Nitto Denko together form the industry leader for membrane development with a focus on unique surface coatings. The resulting membrane technology provides solutions for customer's most demanding water treatment needs. For more information about Hydranautics please call 1-800-CPA-PURE, visit us online at www.membranes.com or send an e-mail to info@hydranautics.com.

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