



****MEDIA STATEMENT****

FOR IMMEDIATE RELEASE
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**San Diego Regional Water Quality Control Board Grants
Final Approval for Carlsbad Desalination Project**
Plant construction to begin later this year

San Diego, CA – Poseidon Resources issued the following statement today regarding the San Diego Regional Water Quality Control Board’s (“Regional Board”) unanimous approval (9-0) of the Carlsbad Desalination Project (“Project”):

“Poseidon Resources is immensely grateful to the untold number of San Diegans whose unrelenting support for the Carlsbad Desalination Project over the years has made today’s milestone possible.

“Today’s decision successfully brings to a close the Project’s six-year permitting process that included more than fourteen public hearings and over 70 hours of public testimony and deliberation.

“The Regional Board’s vote to approve the Project’s Flow, Impingement and Entrainment Minimization Plan completes the National Pollutant Discharge Elimination System (NPDES) permit originally issued by the Regional Board in August 2006. Poseidon has now received every regulatory agency approval necessary to start Project construction.

“The Regional Board is the state’s prevailing authority on water quality regulations, and its final action confirms that the project complies with approvals previously granted by the Coastal Commission. The Regional Board’s action also ensures that the project’s unprecedented commitment to create 55.4 acres of new, coastal wetland habitat fully compensates for the project’s de minimis impingement impacts and entrainment impacts.

“Public officials, environmental scientists, private citizens, non-profit volunteers and legal professionals from across the ideological spectrum dedicated countless hours to examining the project. Poseidon is appreciative of the regulatory agency staff and the handful of environmental activists whose dogged input challenged us to refine the project. While we did not always see eye to eye, the rigorous and thorough scrutiny unquestionably produced a better project. As a result, California will soon boast the most technologically-advanced, energy-efficient and environmentally-friendly seawater desalination plant in the Western Hemisphere.

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“After more than a decade working to make the desalination project a reality, Poseidon is proud to be moving forward towards the construction of a new, 50 million-gallon-per-day, drought-proof water supply for San Diego County.

“This new phase for the project will put 2,100 San Diegans to work and provide \$170 million in local economic stimulus at a time when unemployment is at a record high. By 2012, we expect to be delivering enough water to meet the needs of 300,000 San Diego County residents, and the Pacific Ocean will once and for all be an essential element of California’s water supply.”

Poseidon Resources specializes in developing and financing water infrastructure projects, primarily seawater desalination and water treatment plants. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For more information on Poseidon Resources and the Carlsbad desalination plant visit our website at www.carlsbad-desal.com.

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