



****NEWS RELEASE****

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Coastal Commission Issues Construction Permit to Carlsbad Desalination Project

Pre-construction of California's first large-scale seawater desalination plant starts next week

San Diego, CA – Poseidon Resources today announced it has been issued its Coastal Development Permit (CDP) from the California Coastal Commission, clearing the way for the start of Project pre-construction.

On November 15, 2007, a super majority (9-3) of the California Coastal Commission voted to approve the Carlsbad Desalination Plant's CDP. On August 6, 2008, the Commission voted to approve two unprecedented permit conditions – a Marine Life Protection Plan and an Energy Minimization and Greenhouse Reduction Plan. Poseidon and the Coastal Commission staff spent the past year working together to finalize the CDP. Today, Commission staff informed Poseidon that all the “prior to issuance” and “prior to construction” conditions had been met and that the permit has been issued.

“I want to thank the thousands of San Diegans whose staunch support over the years made today's milestone possible,” said Poseidon Resources' Senior Vice President Peter MacLaggan. “I also want to recognize the hard work the Coastal Commission staff dedicated to processing our permit in a timely manner. With this permit in hand, the Project's pre-construction phase formally begins now with the initiation of site demolition and preparation,” said MacLaggan.

Poseidon first introduced its Carlsbad Desalination Project in 1998 and initiated the permitting process in 2003. Poseidon spent the past six years permitting the Project, a process that included over fifteen public hearings and 80 hours of public testimony and deliberation. Over this period, the City of Carlsbad, California Coastal Commission (2 hearings), State Lands Commission (2 hearings) and the San Diego Regional Water Quality Control Board (six hearings) all approved the Project.

The Carlsbad Desalination Project involves a public-private partnership between Poseidon Resources, the City of Carlsbad and eight other public water agencies to construct a 50-Million-Gallon-Per-Day (MGD) seawater desalination facility. Once operational, the Carlsbad Desalination Plant will provide enough drinking water to serve 300,000 residents annually at a guaranteed price. The Project is scheduled to be operational in 2012.

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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