



****NEWS RELEASE****

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History In The Making: Construction Begins On Carlsbad Desalination Plant

Facility on schedule to be operational in 2012

San Diego, CA – Poseidon Resources today announced that construction has commenced on the Carlsbad Desalination Plant (Plant).

After eleven years of planning and permitting, the Plant is the first large-scale desalination facility in California to reach the construction phase of development. Construction of the 50 Million Gallon per Day (MGD) desalination facility is scheduled to extend twenty four months with an additional six months allotted for full-scale operational testing. The facility, which will be the largest in the Western Hemisphere, is scheduled to be operational and delivering high quality drinking water throughout San Diego County before the end of 2012.

“It’s been a long and rewarding process, during which we met and overcame every challenge that one would expect when developing a major water supply project,” said Poseidon Resources’ Senior Vice President Peter MacLaggan. “This historic accomplishment would not have been possible without the support of a myriad of individuals and organizations that tirelessly fought to ensure that sound science and the public interest prevailed,” said MacLaggan. “When we are finished, San Diego will be home to the most technologically advanced, energy efficient and environmentally-sound seawater desalination plant in the Western Hemisphere,” said MacLaggan.

The Phase I construction activities that Poseidon commenced today include demolishing and removing existing oil and diesel storage tanks and other structures, a wastewater treatment facility and above- and below-ground piping throughout the Project site. Poseidon also is installing construction fencing, surveying and removing any hydrocarbon-related materials, surveying and removing any asbestos containing materials, relocating electrical and mechanical equipment, and conducting any soil remediation. As required by the Project's permits, Poseidon is also installing and constructing certain stormwater pollution prevention measures. The California Coastal Commission issued the Project's Coastal Development Permit and authorized Project construction on November 3, 2009.

Since 1998, Poseidon Resources has been working in a public-private partnership with the City of Carlsbad to construct a 50 Million Gallon per Day (MGD) seawater desalination plant at the site of the Encina Power. The project will provide San Diego County with 50 MGD of locally-controlled, drought-proof, high-quality water. Once operational, the Carlsbad desalination plant will provide enough drinking water to serve 300,000 residents (112,000 homes) annually at a guaranteed price.

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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