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**HTI JOINT PROJECT OF \$1.7 MILLION SELECTED BY RPSEA'S 2010
UNCONVENTIONAL RESOURCES PROGRAM**

ALBANY, Ore./SCOTTSDALE, Ariz. (August 17, 2011) – A \$1.7 million joint research and technology development project from Hydration Technology Innovations (HTI), Bear Creek Services and Colorado School of Mines using Forward Osmosis for the treatment and reuse of produced water and drilling wastewater was selected for \$1.3 million of funding by RPSEA's 2010 Unconventional Resources Program.

Every year the Research Partnership to Secure Energy for America (RPSEA) selects projects for the Unconventional Resources Program for negotiations leading to an award. The projects selected focus on improving safety, minimizing environmental impacts, increasing efficiencies and reducing costs of domestic hydrocarbon resources, maximizing their value.

8 projects were selected within the Unconventional Resources Program including the \$1.7 million project of HTI, Bear Creek Services and Colorado School of Mines. The project is titled, Novel Engineered Osmosis Technology: A Comprehensive Approach to the Treatment and Reuse of Produced Water and Drilling Wastewater. Additional participants in the project are Pinnacle Operating Company, Inc., MS Energy Services and Penn Virginia Oil & Gas Corporation.

"We are very honored that RPSEA selected our joint project using Forward Osmosis applied toward produced water and drilling wastewater," said Walt Schultz, CEO of HTI. "We look forward to the future technology advances that will be made possible due to this additional funding. During the last two years, with our partner Bear Creek Services, and supported by cooperative research efforts by the Colorado School of Mines, we have fielded forward osmosis membrane technology that is revolutionizing the filtration of wastewaters in the energy sector. This project will significantly advance the technology."

HTI has, through its exclusive manufacture of unique proprietary membrane materials, made possible the capture and duplication of a natural occurring process in nature, Forward Osmosis, and turned it into a "Green" technology; a Green technology that is capable of solving many of the world's most difficult industrial and

municipal water filtration and recycling problems. HTI supplies Forward Osmosis technology to customers within the industries of Oil & Gas Exploration, Biofuels, Landfills, Chlor-Alkali, Food Processing, Methane Digesters and Membrane Bio Reactors as well as several other industries.

For more information about HTI's Forward Osmosis technology, please visit

www.HTIwater.com

About HTI's Forward Osmosis Technology

In two state-of-the-art plant facilities located in Albany, Oregon, HTI manufactures proprietary Forward Osmosis membrane material and products that allow osmosis, which is a natural process of liquids seeking equilibrium when separated by a membrane. This filtration process leaves behind virtually all contaminants. Forward Osmosis can filter water without the need for high pumping pressure found in many traditional filtration systems. Thus, Forward Osmosis filtration systems use very little energy, are constructed from relatively low cost materials and are capable of filtering highly contaminated dirty water, even those containing high solid concentrations, without plugging. HTI's forward osmosis membrane has been commercially used since 1996 and most recently in such industries as landfill leachate, oil and gas, energy generation, biogas cogeneration and municipal wastewater recycling. HTI also has a full suite of Forward Osmosis emergency hydration products used by the Military, in humanitarian disaster relief and sold in retail stores for personal hydration. HTI is headquartered in Scottsdale, Arizona. For more information visit www.htiwater.com