



Supreme Court of Mexico upholds San Quintin project

- Supreme Court of Mexico unanimously upheld legislation approving the project
- Ruling clears final legal hurdle for commencement of construction

Melbourne, New York, August 23, 2018

Fluence Corporation Limited (ASX: FLC) is pleased to announce that legislation to approve the construction of the San Quintin desalination plant has been upheld in a ruling by the Supreme Court of Mexico. The project, which will provide 5.8 million gallons/day (approximately 22,000 m³/day) of potable water to the region of San Quintin, Baja California, will commence construction as scheduled by the end of Q3 2018.

The milestone project for the customer, Comisión Estatal del Agua De Baja California (CEA), the State Water Commission of Baja California, is the first non-recourse project funding arranged by Fluence. The project calls for Fluence to build, operate and maintain the seawater desalination plant. The Special Purpose Vehicle co-owned by Fluence and its local partners will deliver potable water to the area of San Quintin, creating a recurring revenue stream for the next 30 years, after which ownership of the plant will be transferred to the customer.

Like similar projects in Mexico, the San Quintin project faced legislative hurdles that delayed the start of construction following financial close in March 2018. Following the Supreme Court's upholding of local legislation by the government of Baja California, Fluence will now proceed with the project and expects the plant to be fully operational within 20 months of construction commencement.

Commenting on this ruling, Fluence Managing Director & CEO Henry Charrabé said: "We're pleased that the Supreme Court of Mexico upheld the legislation, removing the last potential legal obstacle to begin construction of the San Quintin desalination plant. We are looking forward to commencing construction and to begin delivering urgently needed fresh water to the region of San Quintin."

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About Fluence Corporation Limited (ASX: FLC)

Fluence has experience operating in over 70 countries worldwide and employs more than 300 highly trained water professionals around the globe. The Company provides local, sustainable treatment and reuse solutions, while empowering businesses and communities worldwide to make the most of their water resources.

Fluence offers an integrated range of services across the complete water cycle, from early stage evaluation, through design and delivery to ongoing support and optimization of water related assets. With established operations in North America, South America, the Middle East and Europe, Fluence is also expanding into China's rural wastewater treatment market.

Global consultancy Frost and Sullivan awarded Fluence Corporation "2018 Global Decentralized Water and Wastewater Treatment Company of the Year", noting in their award dissertation:

"While typical decentralized water treatment systems are relatively expensive, complicated, and inefficient, Fluence Corporation leverages innovative and smart technology solutions backed by decades of industrial know-how to excel in water and wastewater treatment solutions. Fluence's excellence becomes apparent through its success, as the company continues to expand its existing offerings as well as partnerships with other prominent companies in the industry. With its easy to use, sustainable, smart and cost-effective solutions as well as a remarkable year of growth, innovation, and leadership, Fluence Corporation earns Frost & Sullivan's 2018 Global Company of the Year Award in the decentralized water and wastewater treatment industry."

Further information can be found at <https://www.fluencecorp.com/>.