



****NEWS RELEASE****

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**Poseidon Wins International Award for Carlsbad Pilot Plant
Company accepts award for number one water research project in the world**

Carlsbad, CA – Poseidon Resources Corporation announced today that the company’s seawater desalination demonstration facility located in Carlsbad, CA has been awarded the prestigious 2006 Global Grand Prize for Applied Research from the International Water Association (IWA), a global network of water professionals in science, research, technology and practice.

Formed in 1999, the IWA connects water professionals worldwide to lead in the development of effective and sustainable approaches to water management. IWA established the Project Innovations Award Program to recognize excellence and innovation in water engineering projects. The award is considered the highest international recognition a company in the water industry can receive.

“Poseidon’s seawater desalination research and development program competed with projects from the top engineering companies, universities and research centers from around the world,” said Walter J. Winrow, President of Poseidon Resources. “We are extremely proud to have emerged from such a distinguished group of nominees to win the IWA’s Global Grand Prize,” said Winrow. “Such high level international peer recognition provides further confirmation we are advancing a state-of-the art and environmentally-responsible desalination technology.”

Earlier this year, Poseidon’s seawater desalination research and development program won the Environmental Engineering Award from American Academy of Environmental Engineers which automatically qualified the project for consideration by the IWA for its highest level of recognition -- the Project Innovations Award Program.

The award was accepted by Nikolay Voutchkov, Poseidon’s Corporate Director of Technical Services, on September 12, 2006 during the Innovation Awards Banquet in Beijing, China as part of the IWA’s World Water Congress.

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History of the Poseidon's California Desalination Projects

Poseidon Resources has been working since 1998 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 Station to provide a cost-certain, locally-controlled, drought-proof supply of water.

Similarly, Poseidon is developing a similar 50 MGD seawater desalination plant at the Huntington Beach Power Station in Huntington Beach, CA that will also benefit from the research performed at the Carlsbad demonstration facility.

In January 2003, the seawater desalination demonstration facility began operating on site, providing a unique opportunity to undertake a comprehensive research agenda to demonstrate the desalination process and showcase the important balance of environmental protections inherent in the proposed full-scale project, including protection of the Agua Hedionda Lagoon and offshore marine environment. The highly successful demonstration facility currently produces 40,000-gallons-per-day of high-quality potable water that exceeds the most stringent environmental and regulatory standards. More than 2,500 community leaders, decision-makers and stakeholders have toured the facility and sampled the product water.

Both full-scale plants are scheduled to be completed and producing potable water by 2009. Once operational, the Carlsbad and Huntington Beach desalination plants will each provide enough drinking water to serve 300,000 residents annually at a guaranteed price, at no risk to taxpayers.

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 the Poseidon Carlsbad desalination plant visit our website at www.carlsbad-desal.com and for more information on Poseidon's Huntington Beach desalination plant visit our website at www.hbfreshwater.com

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