

Contact:

September 10, 2009
page 1 of 2

Debra Hadden
Ostara Nutrient Recovery Technologies Inc.
(604) 240-3196
dhadden@ostara.com

Severn Trent First in Europe to Recycle Nutrients into “Environmentally Friendly” Commercial Fertiliser

DERBY, UK and VANCOUVER, CANADA — September 10, 2009 —Severn Trent Water’s Derby Sewage Treatment Works (Derby, United Kingdom) has become the first plant in Europe to demonstrate an innovative technology that recovers phosphorus and other nutrients from wastewater and recycles them into an environmentally-friendly, premium-quality commercial fertiliser, without the use of harmful chemicals.

The technology was developed by Ostara Nutrient Recovery Technologies Inc. of Vancouver, Canada to help sewage treatment works solve environmental problems, increase plant capacity and reduce maintenance costs, while also creating a revenue-producing by-product, a premium slow-release fertiliser called Crystal Green®.

Ostara recently launched the first commercial facility in the United States to recover phosphorus and other nutrients from wastewater and recycle them into an environmentally-safe commercial fertiliser. The plant, operated by Clean Water Services, in Durham (Oregon), is producing 500 tons of Crystal Green annually, for use in specialty agriculture and the turf market (golf courses).

The Ostara pilot facility at Severn Trent Water’s Derby Sewage Treatment Works began operating in summer 2009 to assess the technology’s potential to support efficient operation of biological phosphorus removal and recover useful materials from sewage.

Pete Vale, Senior Asset Strategist for Severn Trent Water, said the preliminary results from the study have been very successful, and the next step is to assess the technology for full-scale implementation.

“We were excited about the potential of this technology to support our objectives of efficiently meeting our phosphorous discharge limitations, and recovering useful materials from wastewater. We therefore decided to conduct this pilot study of the process - the first study of its kind in Europe - to evaluate its performance, and we couldn’t be more pleased with the results,” says Vale.

Phillip Abrary, President and CEO of Ostara, said many sewage treatment works are effective at removing phosphorous and other pollutants and diverting them into a sludge stream of liquids and solids – but are then left with the problem of disposing these nutrients along with the operational challenges created by the concrete-like scale caused by the build-up of nutrients, called “struvite”, in pipes and equipment. The prevention and removal of struvite imposes costly maintenance procedures.

“In the case of the Severn Trent sewage treatment works, our Nutrient Recycling Process integrates directly into the treatment system, processes the sludge liquids, and then converts them into a high quality environmentally-friendly fertiliser that can generate revenue for the water company.”

A demonstration of the process was shared with other UK water companies, together with professionals from the agricultural industry and regulatory bodies, last week at the AquaEnviro Conference, “Recovering Fertilisers from Sludge Dewatering Liquids”.

At the conference the operational simplicity of Ostara’s technology was demonstrated, and the fertiliser harvested through the pilot demonstration at Derby Sewage Treatment Works was handed out to conference delegates. The fertiliser that is created through the recovering of phosphorous from the sludge liquids has an added benefit: it provides an excellent way to create a high-value, high purity fertiliser from a renewable resource, without polluting the atmosphere.

Severn Trent Water’s implementation of the Ostara pilot project demonstrates the Company’s leadership and long-term commitment to the environment, to its customers and the communities in which it lives and works.

According to Abrary, several hundred plants in Europe and the rest of the world are candidates for the technology. “Ostara’s technology provides a solution to any sewage treatment works faced with high phosphate concentrations in their sludge systems.”

Ostara was named yesterday as a Global Cleantech 100 company by the Guardian News and Media and Cleantech Group™. Supported by the Carbon Trust, The Global Cleantech 100 is the first list to highlight and recognize the most promising private clean technology companies at the forefront of cleantech innovation offering solutions to some of the world’s most pressing environmental challenges.

About Severn Trent Water

Severn Trent Water serves more than 3.7m homes and business customers in England and Wales. Its region stretches from mid-Wales to Rutland and from the Bristol Channel to the Humber.

The company, headquartered in the Midlands, delivers almost two billion litres of water every day to customers, through 46,000km of pipes. A further 54,000km of sewer pipes take waste water away to more than 1,000 sewage treatment works. For more information, visit: www.stwater.co.uk.

About Ostara

Ostara Nutrient Recovery Technologies Inc., founded in 2005, is a Vancouver-based company commercializing proprietary technologies that recover resources from wastewater and recycle them into valuable products. Ostara's struvite recovery process, developed at the University of British Columbia, recovers pollutants that would otherwise be released into the environment, helps wastewater treatment plants reduce operating costs and meet environmental regulations, and provides municipalities and utilities with revenue from the sale of the recovered pollutants that are recycled into environmentally-safe slow-release fertilizer, Crystal Green®. Ostara is backed by venture capital companies Frog Capital in the UK, and VantagePoint Venture Partners in the U.S. For more information: visit www.ostara.com and www.crystalgreen.com.