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Amiad Water Systems Ltd.
(“Amiad” or the “Company”)

Amiad wins \$1.67 million contract for significant Israeli desalination project
Ultra-filtration membrane protection to Mekorot’s Ashdod Desalination Plant

Amiad, a leading global producer of water treatment and filtration solutions, is pleased to announce that it has signed a contract, valued at \$1.67m, to provide an Arkal Super Galaxy automatic disc filtration system (SpinKlin R) for the protection of ultra-filtration (“UF”) membranes at the Mekorot Group’s Ashdod Desalination Plant (the “Plant”), which will be one of the largest such facilities in Israel. The contract was awarded by IVM Minrav Sadyt: a consortium including Minrav Holdings Ltd, an Israeli infrastructure company, and SADYT, a Spanish construction business. Mekorot Development Enterprise Ltd, a subsidiary of Mekorot, Israel’s national water company, will plan, build and operate the Plant.

The Ashdod Desalination Plant, which is due to commence operation in early 2013, will produce 100 million cubic metres of water per year, accounting for approximately 15% of Israeli domestic water consumption. It will be the fourth reverse osmosis desalination plant to be built along Israel’s Mediterranean coast, which, in addition to a further plant due to become operational in 2013, will have a combined annual output of 540 million cubic metres of water. Mekorot is also constructing a new National Water Carrier of Israel, which will receive water from all of the desalination plants. This will enhance the existing system, which delivers water from the Sea of Galilee in the north of the country to the highly populated centre and arid south, by enabling water to be transported in all directions, which will improve the efficiency of Israel’s water use and regulation of supply.

Shimon Ben Hamo, Mekorot’s CEO, commented: “For 75 years, 'Mekorot', Israel’s National Water Company, has been developing Israel’s water economy and integrating advanced technologies for seawater and brackish water desalination in its activities. The desalination facility in Ashdod is an additional link in the long chain of accomplishments in providing high-quality water with the utmost reliability at all times and under all conditions. The integration of filtration systems at the facility coincides with the company’s policy of technological development.”

Amiad will provide a solution comprising of its polymer-based Arkal Super Galaxy automatic self-cleaning disc filters. The system will have a filtration degree of 100 micron and will be required to withstand a flow rate of 40,000 cubic metres per hour. Amiad will begin supplying the units from October 2012, with installation due to occur in March 2013.

Arik Dayan, CEO of Amiad, said: “We are very proud that Amiad has been chosen to participate in this significant project in Israel. It provides further evidence of our industry-leading position as well as the strength of our enlarged offering, which now includes UF membrane protection for desalination. We look forward to working with IVM Minrav Sadyt and Mekorot in bringing this important development to fruition.”

Enquiries

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About Amiad

Amiad Water Systems (AIM: AFS) is a leading global producer of automatic, self-cleaning water treatment and filtration products and systems. Through its engineering skills and ability to innovate, Amiad provides cost-effective “green” solutions for the industrial, municipal, irrigation, oil & gas and ballast water markets. In these segments its patented products are being integrated into the core of systems for filtration and water treatment, micro irrigation and membrane protection, wastewater and potable water treatment, cooling systems and sea water filtration.

Headquartered in Israel, Amiad provides these solutions through nine subsidiaries and a comprehensive network of 170 distributors to customers in more than 80 countries.

For additional information or product details, please visit www.amiad.com

About Mekorot

Mekorot - Israel's National Water Company - has been providing solutions and regular, reliable, high-quality water to Israel's water industry for 75 years. Its water supply system comprises 3,000 facilities throughout the country, integrates most of the regional water plants and combines water from various sources: the Sea of Galilee, Mountain Aquifers and Coastal Aquifers, as well as drillings and desalinated sea and brackish water.

Mekorot is a unique company worldwide due to its variety of operations: water supply to all sectors, to the Palestinian Authority and the Jordanian Kingdom; production and integration of water from multiple sources in the national system; water security; constant water quality improvement - the Central Filtration Plant - the fourth largest in the world - positions Israel at the forefront of water treatment in the western world; wastewater treatment and water reclamation of about 60% of Israel's treated wastewater; desalination of brackish and sea water through 32 facilities; storm water catchment; and rain enhancement.

Mekorot places high value on sustainable development and on advancing and implementing innovative technologies. WaTech® - the company's Water Technology Entrepreneurship Center - provides a platform for partnerships between Mekorot and start-ups, entrepreneurs, academicians and established companies.

Mekorot Group includes the parent company - Mekorot Water Company - and two subsidiaries: EMS Mekorot Projects and its international business arm - Mekorot Development and Enterprise.

Mekorot is the only company in Israel to be credited with the AAA rating by Ma'alot Standard and Poor's for over 10 years in a row.