



LEMNA INTERNATIONAL SIGNS HISTORIC CONTRACT IN GUANGZHOU FIRST U.S.-CHINA JOINT VENTURE IN WATER SECTOR

St. Paul, Minnesota, USA- On March 30, in a ceremony broadcast on Chinese national television, Lemna International, Inc. and the Guangzhou Tunnel Development Company signed a contract forming a joint venture company to design, finance, construct and operate the Xilang Wastewater Treatment Plant. This public-private partnership is the first joint venture between a U.S. company and a Chinese entity for a water sector project.

The Xilang Wastewater Treatment Plant will treat 52 million gallons per day of municipal wastewater from the city of Guangzhou. This will improve the water quality of the Pearl River, which is the source of drinking water for the city, as well as for nearby Hong Kong. The Pearl River Delta aquatic environment will also be protected and improved.

Attending the signing ceremony were Guangzhou Mayor Lin, U.S. Acting Consul General Howard Krawitz, Chairman of the Board of Guangzhou Tunnel Development Company Fang Zheng and Lemna Vice President Walter Lambert. Also present were five Guangzhou Vice Mayors, including Senior Vice Mayor Chen Kai Zhi, who is in charge of the City's involvement in the project; Robert Strotman, U.S. Commercial Officer; Christine Huang, U.S. Commercial Assistant specializing in environmental affairs; members of the Guangdong provincial government; chiefs of Guangzhou city departments involved with the project; Chief of the Fang Cun district Central Committee and his staff; and the press.

At the ceremony, Mr. Fang Zheng, Chairman of the Board of the Guangzhou Tunnel Development Company gave an historic perspective of the project and of the many steps made to accomplish this China-U.S. cooperation.

In his speech acting Consul General Krawitz lauded the efforts of Lemna International, saying that the company "has made enormous contributions to world efforts to prevent and solve all sorts of water pollution problems." He also commented that the ceremony "celebrates the U.S.-China relationship and the benefits that come from this relationship." While mentioning U.S. concerns regarding the business climate in China, Mr. Krawitz congratulated the Guangdong authorities for working hard "to overcome these problems and to ensure a fair and positive investment environment."

Mr. Lambert, Vice President of Lemna International, noted the many benefits the project will bring to the city and to the region. Citing the historic nature of the project's international public-private partnership, he said that it "will provide a model for similar projects in the future." He also stressed Lemna's commitment to making the Xilang Project "a showpiece for environmental protection projects in the Guangzhou area."