

LEMNA INTERNATIONAL COMPLETES SALE OF PROJECT IN CHINA TO EARTH TECH

First Sino-American privately funded municipal wastewater treatment project

Minneapolis, Minnesota----Lemna International announces the completion of the sale to Earth Tech of its equity interest in the Sino-American joint-venture company established to design, build, finance and operate the Xi Lang Wastewater Treatment plant, as well as the equipment supply and technology rights for the project. The Xi Lang Wastewater Treatment Plant will treat 200,000 cubic meters (52 million gallons) per day for the City of Guangzhou, China. Guangzhou is a major international business center of five million people in southern China. Located on the Pearl River, it benefits from its proximity to Hong Kong and has been experiencing rapid growth.

"With this sale, we have achieved three important goals", said Lemna President and CEO Viet Ngo. "The first was the technical and organizational development of the project. After extensive scrutiny, the Guangzhou Design Institute accepted Lemna's Advanced Nutrient Removal (LANR-2) wastewater treatment technology. Secondly, we successfully initiated the first Sino-American privately funded wastewater treatment project, no simple task. Breaking new ground is never easy, and it took a great deal of patience and perseverance to see this thing through. Finally, we successfully completed the financing of this 120-million-dollar project through the sale of the foreign interest in the joint-venture to another U.S. company."

The joint-venture agreement signed by Lemna in 1997 for the twenty-year, 120-million-dollar DBFO (Design-Build-Finance-Operate) project was the first ever established by a U.S. company for a privately funded municipal wastewater treatment plant in China. At that time, there were few U.S. companies active in this sector in China, and the Chinese were just beginning to explore private sector and foreign participation in such infrastructure projects. Dr. Walter Lambert, who led the Lemna team through many years of development recalled, "This was truly a pioneering effort, and we were closely monitored by the Chinese central government as it formulated and revised laws guiding such activities." Many Chinese cities also investigated the Xi Lang project as a model in their search for new ways to meet their critical infrastructure needs. Lambert added, "I believe we've had a beneficial influence on future projects."

Earth Tech, based in Long Beach, California, is a unit of Tyco Flow Control, one of the major business units of Tyco International Ltd.