



San Quintin project commences construction

Melbourne, New York, 1 October 2018

Fluence Corporation Limited (ASX: FLC) is pleased to announce that construction has commenced on the desalination plant in San Quintin, Baja California, Mexico.

This project, as previously disclosed, is designed to supply 5.8 million gallons/day (approximately 22,000 m³/day) of potable water to the San Quintin region. Fluence will recognise revenue over the 20-month expected term of the project, starting in the third quarter of 2018, as well as an estimated US\$10 million of recurring billings for 30 years after the plant begins operating.

This milestone project for customer Comisión Estatal del Agua De Baja California (CEA), the State Water Commission of Baja California, is the first non-recourse project funding arranged by Fluence. Fluence will build and operate the seawater desalination plant through a Special Purpose Vehicle (SPV) owned by Fluence and its local partners. The SPV will produce water for the San Quintin area for the next 30 years, after which ownership and operation of the plant will be transferred to CEA.

Fluence Managing Director & CEO Henry Charrabé said: “We are pleased to reach this important milestone and commence construction on the San Quintin Project. This project showcases the exceptional project execution abilities of Fluence’s expert team. Reaching commencement now allows Fluence to start recognising significant revenue linked to the project, for which we have already incurred engineering and management costs. We look forward to delivering urgently needed fresh water to the San Quintin region by 2021.”

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For further information, please contact:

Corporate:

Henry Charrabé
Managing Director & CEO
E: hcharrabe@fluencecorp.com
P: +1 212 572 3766

Richard Irving (USA)
Executive Chairman
E: rirving@fluencecorp.com
P: +1 408 382 9790

Ross Kennedy (Australia)
Company Secretary & Advisor to the Board
E: rkennedy@fluencecorp.com
P: +61 409 524 442

Investors (Australia):

Ronn Bechler
Market Eye
E: ronn.bechler@marketeye.com.au
P: +61 400 009 774

Media (Australia):

Tristan Everett
Market Eye
E: tristan.everett@marketeye.com.au
P: +61 403 789 096

Investors & media (USA):

Gary Dvorchak, CFA
The Blueshirt Group
E: gary@blueshirtgroup.com
P: +1 323 240 5796 (US) or
+86 138 1079 1480 (China)

About Fluence Corporation Limited (ASX: FLC)

Fluence has experience operating in over 70 countries worldwide and employs more than 300 highly trained water professionals around the globe. The Company provides local, sustainable treatment and reuse solutions, while empowering businesses and communities worldwide to make the most of their water resources.

Fluence offers an integrated range of services across the complete water cycle, from early stage evaluation, through design and delivery to ongoing support and optimization of water related assets. With established operations in North America, South America, the Middle East and Europe, Fluence is also expanding into China's rural wastewater treatment market.

Global consultancy Frost and Sullivan awarded Fluence Corporation "2018 Global Decentralized Water and Wastewater Treatment Company of the Year", noting in their award dissertation:

"While typical decentralized water treatment systems are relatively expensive, complicated, and inefficient, Fluence Corporation leverages innovative and smart technology solutions backed by decades of industrial know-how to excel in water and wastewater treatment solutions. Fluence's excellence becomes apparent through its success, as the company continues to expand its existing offerings as well as partnerships with other prominent companies in the industry. With its easy to use, sustainable, smart and cost-effective solutions as well as a remarkable year of growth, innovation, and leadership, Fluence Corporation earns Frost & Sullivan's 2018 Global Company of the Year Award in the decentralized water and wastewater treatment industry."

Further information can be found at <https://www.fluencecorp.com/>.