

PRESS RELEASE

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DEGREMONT

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DEGREMONT, SUEZ Group, win a USD 260 million contract to design, build and operate a wastewater treatment plant in Qatar

The State of Qatar Public Works Authority awarded DEGREMONT a contract to design, build and operate for 10 years the country's largest wastewater treatment facility. The 135,000 m³ per day plant, located twenty kilometres west of Doha, is designed for reuse of the treated water. The facility will serve 500,000 people and is scheduled to come online mid-2008.

The DBO (Design, Build, Operate) contract, DEGREMONT's first for wastewater treatment in the Arabian Gulf, is worth USD 260 million which includes USD 180 million for the design and construction of the plant and USD 80 million for its operation.

The contract will be performed as a 50/50 joint venture between DEGREMONT and its Japanese partner MARUBENI Corporation (civil works), and its operation is also awarded to DEGREMONT-MARUBENI, on a 70/30 basis, for a 10 year period.

DEGREMONT's strategy is to expand its core business from plants conception and construction to plants operation for large cities.

Under this contract, DEGREMONT-MARUBENI will refurbish the existing plant and build a new and complete sewage treatment facility. DEGREMONT process is based on several stages of treatment in order to deliver high quality effluent standard: primary treatment by step screening and grit removal, activated sludge secondary treatment and a final state-of-the-art treatment associating sand filtration and ultrafiltration membranes. Sludge will also be extensively treated by thickening, aerobic digestion and dewatering.

ZENON Environmental will be providing its proprietary ZeeWeed membranes for tertiary treatment. ZENON's ZeeWeed[®] ultrafiltration membranes ensure that all the treated water is of superior quality and pure enough for re-use in agricultural irrigation. Although this isn't ZENON's first such order in the Middle East, it will be the largest tertiary plant in the area. More and more countries in the Middle East are turning to water reuse to ensure sound water resource management.

Within SUEZ Environnement, Degrémont is the water treatment plant specialist. In 2004, the work of 3 800 men and women in over 70 countries generated revenues of 0.8 billion Euros.

SUEZ Environment, a SUEZ business line, provides equipment and services that protect the environment and deliver the essentials of life. Its activities include drinking water production and distribution, wastewater collection and treatment, and waste treatment and recovery. Backed by its experience in the water and waste cycles, SUEZ Environment has a wide-ranging portfolio of know-how providing a sustainable solution to the requirements of local authorities and businesses. SUEZ Environment employs over 72,780 people worldwide and in 2004, generated turnover of 11.4 billion euros.

ZENON is a world leader in providing advanced membrane products and services for water purification, wastewater treatment and water reuse to municipalities and industries worldwide. With over 450 ZeeWeed[®] installations in more than 45 countries, ZENON employs over 1,400 people who operate from offices in 17 countries.

Canada's Top 100 Employers ranked ZENON in their top 100 list for the last six years. An S&P/TSX Composite company, ZENON Environmental Inc. trades on the Toronto Stock Exchange under the symbols ZEN and ZEN.NV.A; and on the OTC under the symbols ZNEVF and ZNEAF. Additional information is available at ZENON's web site www.zenon.com.

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