

## Questions & Answers About The Strategic Alliance Between BioteQ and Newalta

### BioteQ Environmental Technologies

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**Products and Services:**

BioteQ is a water treatment company that applies innovative technologies and operating expertise to solve challenging water treatment problems, reducing environmental liabilities while delivering lower life cycle costs for water treatment.

BioteQ provides a full range of water treatment technology and operating services tailored to suit customer needs, including process design, plant supply and construction, commissioning, operator training, and ongoing operations management. By working with a proven operator, BioteQ's customers reduce the risk of new technology implementation, and access specialized water treatment expertise.

BioteQ's portfolio of technologies include the BioSulphide® and ChemSulphide® processes for selective metal recovery, and the Sulf-IX™ processes for sulphate removal. These proven technologies help customers to:

- Reduce environmental liabilities
- Eliminate waste sludge
- Produce clean water that meets strict water quality regulations for re-use or safe discharge to the environment
- Generate revenue from by-products

**Geographic Markets:**

9 operations at locations in Canada, US, Mexico, Australia, China

**Industries Served:**

Mining & metallurgy, oil sands, power generation

**Key Customers:**

Xstrata, Jiangxi Copper Company, Capstone Mining, US Environmental Protection Agency

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### Newalta Corporation

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Newalta is Canada's largest industrial waste management and environmental services provider that extracts value from waste by applying new technologies to recycle and recover saleable products, including crude oil, lead, lube oil, solvents, oil filters, and water.

Newalta has a national network of more than 80 facilities across Canada, about 2,000 employees, and annual revenues of approximately a half-billion dollars. Newalta trades on the TSX as NAL. For more information, visit [www.newalta.com](http://www.newalta.com).

Newalta provides integrated, one-stop industrial waste management and environmental services through an extensive national network of waste treatment facilities that recover valuable by-products from waste. Newalta is known for its exceptional operations management and safety record, technology commercialization, and environmental stewardship on behalf of industrial customers.

Network of more than 80 facilities across Canada and in the western U.S. Various long-term onsite locations with major customers in these industrial markets.

Automotive, construction, forestry, lead, manufacturing, mining, oil and gas, petrochemical, pulp and paper, refining, steel, and transportation service industries

Primarily blue-chip customers within its industry segments.

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## Questions & Answers

### **What do BioteQ and Newalta have in common?**

Both BioteQ and Newalta apply innovative technologies to convert waste into a useful resource. It is this core business principle that drew the companies together to explore how they can share technology and operating know-how to expand their customer base and access new markets.

### **Why have BioteQ and Newalta formed this strategic alliance?**

This strategic alliance can help both BioteQ and Newalta to expand their respective product offerings and customer base. Newalta has strong customer relationships and operating credibility in markets that are important to BioteQ's future growth, including mining, oil sands, and power generation. Newalta can help to open doors to these customers, and introduce BioteQ's water treatment technologies. BioteQ can provide unique water treatment technologies that can assist Newalta to provide an expanded range of water treatment services for Newalta's customers.

### **How will joint projects be developed?**

BioteQ and Newalta have agreed to work together to find suitable projects where their technology and operating know-how can be deployed. Each project will be evaluated on its technical and commercial merits as opportunities arise. The scope of work for each party as well as a cost sharing arrangement will be mutually agreed upon prior to the start of preliminary evaluation of the opportunity. The management teams of both companies are working together to identify suitable joint projects.

### **Does this agreement prevent either company from forming alliances with other companies?**

No. BioteQ and Newalta remain independent of each other, and may work with other companies as they see fit.

### **How will intellectual property be shared between the companies?**

Each partner will continue to own their existing intellectual property and any improvements that may arise during the evaluation of projects. Any new technology that arises will be jointly owned by both parties.

### **How much is Newalta investing in BioteQ?**

Newalta has initially invested \$4 million in cash through the purchase of 3,636,364 common shares from BioteQ's treasury, at a price of \$1.10 per share. Newalta has been granted one warrant for each common share purchased, at 125% of the initial issue price for one year, and 150% of the issue price thereafter. The warrants expire after five years.

If Newalta were to exercise all of the warrants at 150% of the issue price, their total cash investment in BioteQ would be approximately \$10 million, including the initial \$4 million investment.

**What impact does this transaction have on BioteQ's capital structure?**

Newalta's initial investment has resulted in the issuance of 3,636,364 additional common shares, bringing the total number of shares issued and outstanding to 69,851,672. Initially, Newalta will own about 5% of all issued and outstanding common shares of BioteQ. If all warrants are exercised by Newalta, ownership will increase to just below 10%.

The companies remain independent of each other, with separate management teams and Boards who determine the direction of their respective company. Newalta has the option to nominate a member of Newalta's management team to join BioteQ's Board of Directors at BioteQ's next Annual General Meeting, to be held May 6, 2010.

**How will BioteQ use Newalta's investment?**

Proceeds from the Private Placement will be used to fund the joint evaluation and development of projects that recover, recycle, or treat industrial waste and manage related by-products, and for general working capital of BioteQ.