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FOR IMMEDIATE RELEASE:

**ACE DURAFLO ABANDONS \$11 MILLION DOLLAR DEMAND –
WALKS AWAY WITH ONLY \$238,000**

Ace Settles Lawsuits Against Nu Flow For Less Than Two Percent

San Diego, CA –The Nu Flow Group of Companies announced today the successful resolution of two lawsuits filed in the U.S. District Court for the Central District of California two years ago by competitor Ace DuraFlo. Claims were filed against Nu Flow and other defendants, including Ace DuraFlo’s former franchisee, Bill Howe Plumbing, after Bill Howe terminated its contract with Ace due to problems it encountered with the Ace DuraFlo epoxy pipe lining products. The cases against Nu Flow, including one which named Bill Howe Plumbing, were consolidated and set for trial on February 19, 2008.

Ace sought to recover almost \$11 million dollars in damages against Nu Flow, other defendants, and Bill Howe. An offer to settle was filed earlier by defense counsel, a procedure frequently employed to limit a client’s potential exposure at trial without any admission of liability.

On the eve of trial, the Court reaffirmed its prior ruling that Ace failed to show it had any trade secrets or proprietary products, and further intimated Ace was unlikely to prevail at trial on any remaining claims against any defendants. Following the Court’s comments, Ace accepted defense counsels’ nominal offering of \$238,000 rather than risk paying damages of more than \$1 million dollars in costs and attorneys’ fees to defendants at trial.

Nu Flow President, Cameron Manners, stated, “We really couldn’t have asked for a better result. The ultimate irony is that these lawsuits seem to have served merely to fuel Nu Flow’s growth. We more than doubled in size and revenue in the last two successive years. All we’ve ever asked is for the opportunity to fairly compete in the marketplace instead of in the courts. Apparently, the court agrees that we have the right to do just that.”





About Nu Flow

The Nu Flow group of companies offers innovative green technologies for the rehabilitation of the inner infrastructure of pipe and water systems. Nu Flow is the only entity that manufactures and installs lining for drinking water pipes, sewer restoration products, and whole-structure bio water filtration around the world. Lining applications range from domestic water piping, HVAC and drain systems, military fire sprinkler systems and conduit, to underground utilities and lead service piping. An industry pioneer in the “one-stop-shop” concept, Nu Flow is the first and only company to combine green technology solutions in the water infrastructure and water filtration industries from a single source.

