

Mr. Mirilashvili and Mr. Adelson are old acquaintances, in part because both of them are big supporters of various charities. Nevertheless, they have no business ties with each other, and Mr. Adelson has no business interests in Watergen.

In recent years, Watergen's innovative technology has gained the interest of leading companies as well as governments around the world including the United States, Mexico, Thailand, India, Vietnam, China and various countries in Africa and the former Soviet Union. This is in large part due to Watergen's technological potential to serve as a solution to water crises that endanger the lives of millions around the world.

Demand for Watergen's products has already far exceeded the company's production rate, and as a result, Watergen is in the process of building additional plants in the US, India and Israel.

Like many businessmen and government officials, Mr. Adelson has also received an explanation of Watergen's life-saving technology from Watergen's engineers. Mr. Adelson has also expressed an interest in the ability of this Israeli technology to save the lives of hundreds of thousands of Americans who are affected by water pollution.

Mr. Mirilashvili had no influence on the decision by the US Embassy in Israel to place a Watergen machine at the July 4 celebrations.