



11 Sundial Circle, Suite 19 | P.O. Box 3800
Carefree, Arizona 85377-3800
(tf) 1.866.548.3719 | (p) 480.595.5506 | (f) 480.595.1519
www.natawa.com

FOR IMMEDIATE RELEASE

Contact: Dave Smoot
Chief Executive Officer
Natawa Corporation
480.595.5506

Natawa Enters Into Key Strategic Partnerships To Serve Homes in Growing Markets

Arizona-Based Utility Expands Market Share in Western U.S.

CAREFREE, Arizona (October 23, 2006) — Natawa Corporation has reached agreements with two companies on strategic partnerships that will allow it to provide utility services to potentially hundreds of thousands of homes.

The new strategic partnerships include:

- Regal Development, a California-based real estate development company that is currently working on more than 60 projects representing about 90,000 residential lots. The company is partnering with some of the largest and most respected developers in California. Most projects are in outlying areas that don't have utility districts formed yet, making them an ideal match for Natawa's services.

"They allow us to take some of our infrastructure and have it financed by different sources, so that we can focus on other development needs," said Scott McDaniel of Regal Development. "They basically allow us to be more profitable."

- All Valley Realty, based in the Palm Springs/Indio/Coachella Valley area of California. Just in the past five years, the company has sold, been a part of selling or joint ventured over \$150 million worth of real estate in the area. The group currently owns or controls about 40,000 lots along the Salton Sea, Riverside and Imperial Counties, Coachella Valley and Wrightwood.

"We really like the model that Natawa offers to developers," said Tom Ward of All Valley Realty. "The financing component they offer is a critical part of it, as is what they bring to the table in terms of building the infrastructure. And the residual income over the life of the contract is important as well."

Overall, the new partnerships dramatically expand Natawa's reach in growing markets throughout the western United States, and provide an opportunity for the company to provide service for literally hundreds of thousands of homes.

"We're very excited about these new partnerships and what they mean for the future of Natawa," said Dave Smoot, Natawa's founder and CEO. "These are two terrific groups who are a part of literally dozens of exciting development projects, and to be able to partner with them to

— Continued —

provide our services is a great step forward for our company.”

Representatives from both organizations recently spoke at Natawa’s annual shareholders meeting, held in mid-September in Carefree, Arizona. Their principals all talked about how the Natawa business model — where the company finances all utility construction costs up front and then shares a portion of the profits with the developer/landowner — was a key reason for the partnerships.

Smoot said the company is also talking with several other major development groups and utility industry partners about new business opportunities, and will have significant announcements on new agreements in the coming weeks and months.

Representatives of all three companies are available to the news media for comment and interviews. To arrange for an interview with principals from Regal Development and All Valley Realty, contact Tom Evans at 602.448.5483.

About Natawa Corporation

Natawa is based in Carefree, Arizona, and provides developments with innovative solutions to their wastewater needs as well as fiber-optic cable installed to individual homes (fiber to the premises). Fewer than 1 million homes nationwide are wired with fiber optic cable all the way to the home, something that will become increasingly important as our reliance on technology and high-definition television continues. Natawa’s water and wastewater technology is cutting edge as well, including systems that are among the most efficient being constructed to save precious water resources in drier regions of the country.

The Natawa business model is unique because it does not require the developers and landowners it works with to come up with up-front costs for wastewater and cable infrastructure. And, Natawa shares a portion of the profits from its operations with the developers and landowners it works with.

For more information, contact Dave Smoot, CEO of Natawa at the number above or Tom Evans at 602.448.5483. Or, visit the company’s web site at www.natawa.com.