

Aqwise will receive a funding of over \$1 million for the development of an innovative hybrid aerobic/anaerobic system for wastewater treatment

Herzliya, Israel, March 29, 2009 – Aqwise signed a cooperation agreement with the Dutch engineering company WESTT Development BV, for the development of a hybrid aerobic/anaerobic system for treating wastewater with high organic loads (3-10 ton COD/day). In the cooperation framework a funding request was submitted to the pan-European network "Eureka", which was approved recently. The budget approved for the first year of the development is approximately \$700,000 and the total funding for the project will exceed \$1 million.

Aqwise – a world leader in the development and implementation of advanced wastewater treatment solutions, with vast experience in aerobic treatment using its AGAR[®] process utilizing biomass carriers – is joining forces with the seasoned WESTT research & development team – specializing in anaerobic wastewater treatment systems. The development is planned to be completed during 2010.

The system that is being developed will combine anaerobic treatment and aerobic treatment using moving bed technology in one hybrid wastewater treatment system. This will provide an ideal solution for many industries which need to treat their wastewater in limited footprint and prefer simple and robust "all in one" solutions. The innovative system will provide a cost-efficient solution mainly for industries with high organic loads in their wastewater, such as the Pulp & Paper industry, the Food & Beverage industry and the Pharmaceuticals industry, which are required by local regulation to pre-treat their wastewater or desire to internally re-use the wastewater.

About Aqwise

Aqwise is a world leader in the development and implementation of advanced wastewater treatment solutions for the Industrial and Municipal markets. Aqwise's proprietary AGAR[®] (Attached Growth Airlift Reactor) family of solutions significantly increases the capacity and efficiency of existing wastewater treatment plants, while offering compact and scalable deployments of new plants.

The company offers a wide range of services, from process design through full turn-key project management.

Aqwise's solutions have been successfully installed in dozens of municipal and industrial plants around the world, serving a variety of industries including Food & Beverage, Pulp & Paper, Aquaculture and more.

Aqwise is headquartered in Israel and has regional offices in Latin America, as well as commercial representation in North America, Europe, the Middle East and Asia Pacific.

Aqwise's shareholders are AHMSA Steel Israel Ltd., Elron Electronic Industries Ltd. (Nasdaq: ELRN) and Israel Cleantech Ventures.

Further information about Aqwise is available at: www.aqwise.com

About AHMSA Steel Israel

AHMSA Steel Israel Ltd., a subsidiary of Altos Hornos de Mexico, the largest integrated steel producer in Mexico, was founded in February 2004 as an investment and holding company, for diverse industrial sectors, from mining through wastewater solutions.

For further information please visit: www.ahmsasteel.com

About Elron Electronic Industries

Elron Electronic Industries Ltd. (Nasdaq: ELRN), a member of the IDB Holding Group, is a leading Israel-based technology holding company directly involved in the long-term performance of its group companies. Elron identifies potential technologies, creates strategic partnership, secures financing and recruits senior management teams. Elron's group companies currently comprise of a diverse range of publicly-traded and privately held companies primarily in the fields of medical devices, information & communications technology, semiconductors and clean technology.

For further information please visit: www.elron.com

About Israel Cleantech Ventures

Israel Cleantech Ventures (ICV) was established in 2006 to provide value added growth capital to exceptional entrepreneurs building Israel's energy, water and environmental technology leaders.

ICV's investment professionals combine industry expertise gained through decades in senior management positions at Israel's outstanding cleantech companies, with proven abilities in identifying, investing in and supporting VC-backed companies.

For further information please visit: www.israelcleantech.com

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