



FOR IMMEDIATE RELEASE

## Headwater Systems Appoints President

*Kevin Cattoor to lead Company's entrance into the RFID market*

Minneapolis, MN, March 16, 2007-- Headwater Systems, Inc. (HWS) today announced that Kevin Cattoor has joined the company as President. Cattoor will join Alex Fjelstad, Chairman and CEO, to lead HWS in deploying its patented and proprietary Watchdog products into the fast growing RFID (Radio Frequency ID) market.

"HWS has a great opportunity to establish a footprint in the Real Time Locating System (RTLS) market which is projected to be one the major growth areas of RFID in the next 5 years. With the recent advances in technology, the Company's Watchdog product effectively tracks equipment for customers at an affordable cost," Cattoor stated.

Alex Fjelstad stated, "We are pleased to attract such an experienced and qualified person as Kevin to help lead HWS into the future."

Cattoor joins HSW after serving Internet Destination Sales System (iDSS) as CEO. Prior to iDSS, Cattoor was Executive Vice President of Twins Sports, Inc. from 2001 to 2004. In his tenure with the Twins, he was the COO for the team and President of Victory Sports. Prior to the Twins, from 1989 to 2000, he was Vice President and General Manager for Midwest Sports Channel (MSC). He was responsible for initially establishing MSC in Minnesota and the Dakotas with major Minnesota sports programming. In the mid 90s, he also established MSC in Wisconsin with Wisconsin sports programming. Prior to MSC, Cattoor worked with WCCO Radio, Midwest Communications and Arthur Anderson & Co. He is a resident of Plymouth, MN and graduated from the University of St. Thomas with a BA in accounting.

About Headwater Systems, Inc.

A Minneapolis, Minnesota company, HWS is in the business of providing unique solutions to the problems organizations face locating vital mobile resources within a facility or yard. The patented and proprietary Watchdog RTLS products enable customers to reduce the time and expense consumed by searching for misplaced items and purchasing redundant, unnecessary equipment. The Watchdog monitors the real-time movements of items and any other critical resource.

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