



FOR IMMEDIATE RELEASE

Headwater Systems Announces New Release of its Watchdog Locating System

Version 2.2 of the Watchdog locates items over 20 feet closer than the national standard

Minneapolis, MN, November 30, 2007-- Headwater Systems, Inc. (HWS) today released version 2.2 of its web based Watchdog Active Radio Frequency Locating System. Watchdog is a locating and tracking system that uses a patented RFID technology (US Patents 6,333,690, 6,653,937, 7,019,642) to help you quickly and easily locate people and equipment within a facility.

Watchdog tags (transmitters) operate in the 418MHz frequency band. Receivers are able to register tag chirps up to 300 feet. Its state of the art technology allows the Watchdog tag to operate for long periods of time without any maintenance. Battery life can be as long as 7 years depending upon chirp rate.

The Watchdog System locates tagged items consistently within 5 to 15 feet of the actual location of the item. The American National Standard has issued its standard for location systems utilizing the 433MHz Air Interface Protocol. That standard states that the average location data provided by a system are within 10 meters, or 32.8 feet, of the actual locations of the transmitting device. Both the 418MHz and 433MHz RF transmissions are low power and are compatible with and do not interfere with existing standardized wireless communications networks. **The location range of the Watchdog System consistently exceeds the set standard of 32.8 feet by over 20 feet.**

HWS has developed proprietary software that allows users to access the Watchdog System on the web. This provides customers with flexibility and accessibility to the System allowing users from anywhere in the world to see where items or people are located in a facility at a given time.

Alex Fjelstad, Chairman and CEO of HWS stated, "We are excited about how our Watchdog System has effectively located assets in a facility. We are currently looking for partners to distribute our system targeting the health care, manufacturing and college markets. Our system is cost effective so that small and medium sized businesses can reap the same benefits that larger businesses do from using a locating system."

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 locating and tracking system enable customers to reduce the time and expense consumed by searching for misplaced items and purchasing redundant, unnecessary equipment. The Watchdog monitors the movements of items and any other critical resource.

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