

**GWR GLOBAL WATER RESOURCES CORP. REPORTS
FIRST QUARTER 2014 RESULTS**

PHOENIX, AZ – May 13, 2014 – GWR Global Water Resources Corp. (the “Company”) (TSX: GWR) (OTCQX: GWGWF) today reported its financial results for the first quarter ended March 31, 2014.

The Company was established to acquire an equity interest in Global Water Resources, Inc. (“Global Water”). Global Water is a U.S., pure-play, water resource management company based in Phoenix, Arizona, that owns and operates water, wastewater and recycled water utilities. The Company accounts for its investment in Global Water using the equity method of accounting; therefore the financial information of Global Water is not consolidated with that of the Company. All references in this press release to consolidated financial information refer to Global Water on a consolidated basis and, unless otherwise indicated, all amounts are in U.S. dollars.

First Quarter 2014 Highlights:

- Introduced a monthly dividend on the common shares of the Company, representing CAD\$0.264 on an annualized basis.
- Grew active service connections for the first quarter to 42,984 compared with 42,726 at December 31, 2013, representing an annualized growth rate of 2.4% for 2014. On a trailing twelve month basis, service connections have increased 3.3%.
- Achieved \$54.6 million in EBITDA for the three months ended March 31, 2014, compared to \$1.6 million for the corresponding period in 2013. Excluding the impacts of the recent rate case and litigation proceeds, EBITDA was \$1.9 million for the three months ended March 31, 2014.
- Received positive rate case settlement by the Arizona Corporation Commission (“ACC”), which provided an overall cumulative revenue increase of \$4.3 million, or 14%, with the majority of this revenue increase phased in over two years, beginning in January 2015. The impacts of the settlement, combined with the release of an income tax valuation allowance restored approximately \$69 million of shareholder equity on the balance sheet.
- Received the final litigation proceeds of \$5.3 million.
- Began trading on the OTCQX marketplace in the U.S. under the symbol “GWGWF”, subsequent to quarter end.

“The first quarter of 2014 was a significant period for Global Water with the successful completion of our rate case, the restoration of our balance sheet, the closure of our last legal proceeding resulting in collection of outstanding monies owed, and the initiation of a healthy dividend,” said Trevor Hill, Chairman. “Combined with strong revenue growth trajectory driven by new connections and new rates that start in January 2015, Global Water has tremendous tailwinds as we continue to execute our plan to grow and surface the value of our existing core utilities.”

Summary of Financial Results

Consolidated revenues for the three months ended March 31, 2014, changed \$593,000, to \$7.0 million compared to \$7.6 million for the three months ended March 31, 2013. The change in

consolidated revenues reflects the decrease in unregulated revenues this quarter compared to the same period last year due to the sale of FATHOM™ on June 5, 2013.

Excluding revenues of the Company's prior FATHOM business, Global Water's revenues totaled \$7.0 million and \$6.9 million for the three months ended March 31, 2014, and 2013, respectively. The increase primarily reflects the positive impact of growing active service connections within the regulated utilities business, partially offset by the decrease in water consumption from commercial and irrigation customers.

EBITDA for the three months ended March 31, 2014, totalled \$54.6 million compared to \$1.6 million for the same period last year. The increase in EBITDA is primarily due to the \$50.7 million gain on regulatory order recorded during the quarter regarding the ACC's February 2014 Rate Decision and \$2 million litigation proceeds.

Consolidated net income was \$68.3 million for the three months ended March 31, 2014, compared to a consolidated net loss of \$3.3 million for the same period last year. The increase in net income is primarily due to the \$50.7 million gain on regulatory order recorded during the quarter, the \$18.2 million income tax benefit recognized in connection with the release of the deferred income tax valuation allowance and \$2 million litigation proceeds.

Business Outlook

Global Water's growth strategy for the regulated business is driven by increased service connections, utility rate increases approved by the ACC, and continued operating efficiencies. As previously discussed, population and community growth in the metropolitan Phoenix area served by Global Water's utilities have a direct impact on the Company's earnings.

The first quarter of 2014 continued the positive growth trend from a combination of new homes built and re-establishing service on previously vacant homes. As of March 31, 2014, total service connections increased to 44,722 from 44,608 as of December 31, 2013. Total active service connections increased to 42,984 as of March 31, 2014, from 42,726 as of December 31, 2013.

During the economic downturn beginning in 2008, Global Water experienced an increase in the number of vacant homes in its utility areas, reaching 4,647 vacant connections, or 11.2%, at its peak in February of 2009. By comparison, the level of vacant connections was 1,738, or 3.9% of total service connections as of March 31, 2014; the lowest vacancy rate since April 2008.

Based on economic metrics and published analyses of industry experts, the metropolitan Phoenix area is expected to experience strong population and employment growth for the foreseeable future, which management believes will result in real estate development and connection growth in Global Water's utility service areas due in part to its large availability of lots and infrastructure capacity.

On February 10, 2014, the Company announced the approval of the rate case settlement agreement by the ACC, involving seven Global Water regulated utility subsidiaries.

The settlement agreement, which was wholly approved by the Commissioners, includes the following major terms:

- An overall cumulative revenue increase of \$4.3 million, or 14%, for Global Water's utilities based on 2011 test year connections, with the majority of this revenue increase phased in over two years, beginning in January 2015.

- Full reversal of the imputation of Contributions in Aid of Construction (“CIAC”) associated with funds previously received under Infrastructure Coordination and Financing Agreements (“ICFAs”). The imputation was required as part of Global Water’s last rate case. The reversal restores approximately \$60 million in rate base or future rate base, which had the impact of restoring significant shareholder equity on the balance sheet.
- Global Water will not enter into any new ICFAs. Existing ICFAs will remain in place, but a portion of future payments under the ICFAs will be used to fund hook-up fees, which are accounted for as CIAC once used to fund the construction of utility infrastructure.
- A 9.5% return on common equity will be adopted for the purpose of determining rates to be paid by customers.
- None of Global Water’s utilities may file another rate application before May 31, 2016. Subsidiaries Santa Cruz Water Company and Palo Verde Utilities Company may not file for another rate increase before May 31, 2017.

The final Decision and Order is posted on the Company’s website and at the ACC’s eDocket website, <http://edocket.azcc.gov> under the docket number 12-0309. The settlement agreement is also posted in both locations.

The full financial statements and management’s discussion and analysis for the Company and Global Water will be available May 14, 2014, on the Company’s SEDAR profile at www.sedar.com or on the Company’s website at www.gwresources.com.

Conference Call

Global Water will conduct a conference call on Wednesday, May 14, 2014, at 4:00 p.m. ET. Interested persons may access the call by dialing (647) 427-7450 or toll free at (888) 231-8191. Shortly after the conclusion of the call, a replay will be available by dialing (416) 849-0833 or (855) 859-2056. The passcode is 31333783. The replay will expire at midnight (ET) on Wednesday, May 28, 2014. A copy of the transcript and an audio replay of the conference call, once available, will be archived within the investor section of the Company’s web site at www.gwresources.com.

Notice of Annual General Meeting

GWR Global Water Resources Corp. will hold its Annual General Meeting of shareholders on Tuesday, May 20th, 2014, at 4:00 p.m. ET at the Toronto Board of Trade, Ketchum/Osgoode Room, located at First Canadian Place, 77 Adelaide Street West in Toronto, Ontario.

About GWR Global Water Resources Corp.

The Company was incorporated in British Columbia to acquire shares of U.S. based Global Water and to actively participate in the management, business and operations of Global Water through its representation on the board of directors of Global Water and its shared management of Global Water.

About Global Water

Global Water is a pure-play, high-growth water resources company located in Phoenix, Arizona, that owns and operates regulated water, wastewater and recycled water utilities in the metropolitan Phoenix area.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward looking statements include, but are not limited to our plans, objectives, expectations and intentions, and other statements contained in this release that are not historical facts as well as statements identified by words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, or

the negative of these terms, or other words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond our control. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors and other factors discussed under the heading “Risk Factors” in the Company’s most recent Annual Information Form. We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.

Cautionary Note Regarding Non-GAAP Measures

This press release contains references to “EBITDA”. EBITDA is defined for the purposes of this press release as income or loss from continuing operations before interest expense, income tax expense, depreciation and amortization. Management believes that EBITDA is useful supplemental measure of Global Water’s operating performance. However, EBITDA is not a recognized earnings measure under U.S. GAAP or Canadian GAAP and does not have a standardized meaning prescribed by U.S. GAAP or Canadian GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. EBITDA should not be construed as an alternative to net income or loss. See “Consolidated Statements of Operations for the eight quarters end March 31, 2014” in the attached schedules for a reconciliation of EBITDA to net income, the nearest comparable U.S. GAAP measure.

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GWR GLOBAL WATER RESOURCES CORP.
BALANCE SHEETS
As of March 31, 2014 and December 31, 2013
(Unaudited)

	March 31, 2014	December 31, 2013
	(in thousands of US\$, except share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ -	\$ -
Dividend receivable	174	-
Other current assets	34	-
Total current assets	208	-
Equity method investment	63,504	30,962
TOTAL ASSETS	\$ 63,712	\$ 30,962
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued expenses.....	\$ 214	\$ 10
Other noncurrent liabilities	87	72
Deferred tax liability	2,091	-
Total liabilities	2,392	82
SHAREHOLDERS' EQUITY:		
Common stock, unlimited shares authorized, 8,754,612 shares issued and outstanding at March 31, 2014 and December 31, 2013.....	55,815	55,815
Retained earnings (accumulated deficit)	5,505	(24,935)
Total shareholders' equity	61,320	30,880
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 63,712	\$ 30,962

GWR GLOBAL WATER RESOURCES CORP.
STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)

	Three Months Ended March 31,	
	2014	2013
	(in thousands of US\$, except share and per share data)	
GAIN (LOSS) FROM EQUITY INVESTMENT.....	\$ 32,851	\$ (1,613)
OPERATING EXPENSES	146	131
OPERATING INCOME (LOSS).....	32,705	(1,744)
INCOME (LOSS) BEFORE INCOME TAXES.....	32,705	(1,744)
INCOME TAX EXPENSE	(2,091)	-
NET INCOME (LOSS)	\$ 30,614	\$ (1,744)
 WEIGHTED AVERAGE SHARES:		
Basic.....	8,754,612	8,754,612
Diluted.....	8,754,697	8,754,612
 EARNINGS (LOSS) PER SHARE:		
Basic.....	\$ 3.50	\$ (0.20)
Diluted.....	\$ 3.50	\$ (0.20)

GLOBAL WATER RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2014 and 2013
(Unaudited)

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
	(in thousands of US\$, except share data)	
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment	\$ 317,504	\$ 317,319
Less accumulated depreciation	(70,957)	(68,309)
Net property, plant and equipment	<u>246,547</u>	<u>249,010</u>
CURRENT ASSETS:		
Cash and cash equivalents	9,077	1,960
Accounts receivable – net	1,387	1,474
Due from related party	691	939
Accrued revenue	1,692	1,809
Restricted cash	-	197
Prepaid expenses and other current assets	643	631
Convertible note	717	-
Deferred tax assets - current	61	-
Total current assets	<u>14,268</u>	<u>7,010</u>
OTHER ASSETS:		
Goodwill	13,082	13,082
Intangible assets – net	12,772	12,772
Regulatory assets	400	400
Deposits	26	28
Bond service fund and other restricted cash	11,383	11,383
Debt issuance costs - net	3,331	3,361
Convertible note	-	750
Equity method investment	-	141
Deferred tax assets	17,495	-
Total other assets	<u>58,489</u>	<u>41,917</u>
TOTAL	<u>\$ 319,304</u>	<u>\$ 297,937</u>
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	2,508	1,778
Accrued expenses	7,363	3,793
Deferred revenue – current portion	16	16
Customer and meter deposits	2,601	2,579
Long-term debt – current portion	3,166	4,172
Total current liabilities	<u>15,654</u>	<u>12,338</u>
NONCURRENT LIABILITIES:		
Long-term debt	128,766	128,738
Deferred regulatory gain	19,478	-
Regulatory liability	7,859	11,227
Advances in aid of construction	97,314	97,253
Contributions in aid of construction – net	10,462	74,774
Deferred income tax liability	-	589
Acquisition liability	4,688	4,688
Other noncurrent liabilities	118	1,172
Total noncurrent liabilities	<u>268,685</u>	<u>318,441</u>
Total liabilities	<u>284,339</u>	<u>330,779</u>
EQUITY (DEFICIT):		
Common stock, \$0.01 par value, 1,000,000 shares authorized, 182,050 shares issued and outstanding at March 31, 2014 and December 31, 2013	2	2
Paid in capital	54,543	55,048
Retained earnings (accumulated deficit)	(19,580)	(87,892)
Total equity (deficit)	<u>34,965</u>	<u>(32,842)</u>
TOTAL	<u>\$ 319,304</u>	<u>\$ 297,937</u>

GLOBAL WATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)

	Three Months Ended March 31,	
	2014	2013
	(in thousands of US\$)	
REVENUES:		
Water services.....	\$ 3,617	\$ 3,599
Wastewater and recycled water services.....	3,365	3,313
Unregulated revenues	14	677
Total revenues	<u>6,996</u>	<u>7,589</u>
OPERATING EXPENSES:		
Operations and maintenance.....	2,483	3,154
General and administrative.....	2,489	2,809
Gain on regulatory order.....	(50,664)	-
Depreciation.....	2,244	2,697
Total operating expenses.....	<u>(43,448)</u>	<u>8,660</u>
OPERATING INCOME (LOSS).....	<u>50,444</u>	<u>(1,071)</u>
OTHER INCOME (EXPENSE):		
Interest income.....	19	1
Interest expense	(2,224)	(2,239)
Other	1,921	17
Total other income (expense).....	<u>(284)</u>	<u>(2,221)</u>
INCOME (LOSS) BEFORE INCOME TAXES	50,160	(3,292)
INCOME TAX BENEFIT (EXPENSE)	18,152	(2)
NET INCOME (LOSS).....	<u>\$ 68,312</u>	<u>\$ (3,294)</u>

Net Income and EBITDA per Share Information for the Three Months Ended March 31, 2014
(amounts in thousands of US dollars, except share data):

	Three Months Ended	
	March 31, 2014	
	Net Income	EBITDA
	(Loss)	
Amount for the period ended March 31, 2014.....	\$ 68,312	\$ 54,609
Weighted average number of Global Water shares outstanding during the period ended March 31, 2014.....	182,050	182,050
Global Water per share amount.....	\$ 375.24	\$ 299.97
GWRI per share, excluding the gain on regulatory order and the release of the income tax valuation allowance.....	\$ (2.72)	\$ 21.67

GLOBAL WATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Eight Quarters Ended March 31, 2014
(Unaudited)

	2014	2013				2012		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	(in thousands of US\$, except service connections)							
REVENUES:								
Water services.....	\$ 3,617	\$ 4,223	\$ 5,405	\$ 4,973	\$ 3,599	\$ 4,156	\$ 4,863	\$ 4,844
Wastewater and recycled water services.....	3,365	3,498	3,536	3,482	3,313	3,331	3,328	3,353
Unregulated revenues.....	14	45	49	634	677	937	829	572
Total revenues.....	<u>6,996</u>	<u>7,766</u>	<u>8,990</u>	<u>9,089</u>	<u>7,589</u>	<u>8,424</u>	<u>9,020</u>	<u>8,769</u>
OPERATING EXPENSES:								
Operations and maintenance.....	2,483	2,460	3,043	3,338	3,154	2,862	3,276	2,919
General and administrative.....	2,489	1,671	2,608	2,535	2,809	2,362	2,178	2,457
Gain on regulatory order.....	(50,664)	-	-	-	-	-	-	-
Depreciation.....	2,244	2,134	2,306	2,664	2,697	2,866	2,662	2,706
Total operating expenses.....	<u>(43,448)</u>	<u>6,265</u>	<u>7,957</u>	<u>8,537</u>	<u>8,660</u>	<u>8,090</u>	<u>8,116</u>	<u>8,082</u>
OPERATING INCOME (LOSS).....	<u>50,444</u>	<u>1,501</u>	<u>1,033</u>	<u>552</u>	<u>(1,071)</u>	<u>334</u>	<u>904</u>	<u>687</u>
OPERATING INCOME (EXPENSE):								
Interest income.....	19	20	20	6	1	5	1	-
Interest expense.....	(2,224)	(2,351)	(2,209)	(2,136)	(2,239)	(2,085)	(2,245)	(3,005)
Other.....	1,921	978	1,818	(1,964)	17	(14)	723	54
Total other income (expense).....	<u>(284)</u>	<u>(1,353)</u>	<u>(371)</u>	<u>(4,094)</u>	<u>(2,221)</u>	<u>(2,094)</u>	<u>(1,521)</u>	<u>(2,951)</u>
INCOME (LOSS) BEFORE INCOME TAXES.....	50,160	148	662	(3,542)	(3,292)	(1,760)	(617)	(2,264)
INCOME TAX BENEFIT (EXPENSE).....	18,152	(11)	(2)	(1)	(2)	(6)	-	(31,885)
NET INCOME (LOSS).....	<u>\$ 68,312</u>	<u>\$ 137</u>	<u>\$ 660</u>	<u>\$ (3,543)</u>	<u>\$ (3,294)</u>	<u>\$ (1,766)</u>	<u>\$ (617)</u>	<u>\$ (34,149)</u>
Income tax expense (benefit).....	\$ (18,152)	\$ 11	\$ 2	\$ 1	\$ 2	\$ 6	\$ -	\$ 31,885
Interest income.....	(19)	(20)	(20)	(6)	(1)	(5)	(1)	-
Interest expense.....	2,224	2,351	2,209	2,136	2,239	2,085	2,245	3,005
Depreciation.....	2,244	2,134	2,306	2,664	2,697	2,866	2,662	2,706
EBITDA.....	\$ 54,609	\$ 4,613	\$ 5,157	\$ 1,252	\$ 1,643	\$ 3,186	\$ 4,289	\$ 3,447
LOSS, EXCLUDING GAIN ON REGULATORY ORDER, GAIN ON SALE OF 303 CONTRACTS, LOSS ON THE SALE OF GWM AND TAX VALUATION ALLOWANCE.....	\$ (496)	\$ (1,017)	\$ (1,475)	\$ (1,609)	\$ (3,294)	\$ (1,073)	\$ (397)	\$ (1,394)
Active service connections at period end.....	42,984	42,726	42,482	42,112	41,607	41,008	40,833	40,503

GLOBAL WATER RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)

	Three Months Ended March 31,	
	2014	2013
	(in thousands of US\$)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss).....	\$ 68,312	\$ (3,294)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred compensation	300	134
Depreciation	2,244	2,697
Amortization of deferred debt issuance costs and discounts	87	80
Loss on disposal of fixed and intangible assets.....	-	2
Loss on equity method investment	174	-
Gain on regulatory order.....	(50,664)	-
Provision for doubtful accounts receivable	15	26
Deferred income tax expense (benefit).....	(18,152)	2
Changes in assets and liabilities:		
Accounts receivable	71	(40)
Other current assets	227	(832)
Accounts payable and other current liabilities.....	2,585	3,691
Other noncurrent assets	9	45
Other noncurrent liabilities	2,802	(27)
Net cash provided by operating activities	<u>8,010</u>	<u>2,484</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(106)	(2,380)
Withdrawals of restricted cash	197	-
Deposits received	1	4
Net cash provided by (used in) investing activities	<u>92</u>	<u>(2,376)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan repayments	(1,001)	(1)
Principal payments under capital leases.....	(45)	(34)
Advances in aid of construction	61	129
Net cash provided by (used in) financing activities	<u>(985)</u>	<u>94</u>
INCREASE IN CASH AND CASH EQUIVALENTS	7,117	202
CASH AND CASH EQUIVALENTS – Beginning of period.....	1,960	3,816
CASH AND CASH EQUIVALENTS – End of period	<u>\$ 9,077</u>	<u>\$ 4,018</u>