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OFFICIALS PULL THE PLUG ON BILLION DOLLAR WATER PROJECT

Major Victory for California Consumers and Environmentalists

Los Angeles, CA. October 8, 2002 -- The controversial Cadiz Water Project -- a plan to store surplus water in the Mojave Desert and also mine local groundwater -- has just been scuttled by its chief funding agency, the Metropolitan Water District (MWD) of Southern California, at a board meeting today in Los Angeles.

"The financial house of cards that makes up the Cadiz Empire has crumbled," says Jane Kelly, director of the Oakland office of Public Citizen, a national consumer rights organization. "This has been a bogus project from the start and we are glad the MWD has finally killed it."

Cadiz common stock fell 76 percent today from \$1.39 to .33 per share.

The Cadiz Project, slated to cost water ratepayers over \$1 billion for the next fifty years, was tagged as a corporate boondoggle by a coalition of environmentalists and consumer groups. British investor Brackpool, Cadiz's chief executive officer, has contributed heavily to Governor Davis and serves as his chief advisor on water issues.

Last week the MWD staff, headed by chief executive, Ronald Gastelum, recommended to the board that the project be tabled indefinitely. Gastelum cited 1) Rising costs of the project 2) Concern about the financial condition of Cadiz Inc. 3) Environmental concerns and 4) A drought on the Colorado River that has dramatically reduced the chances that the Cadiz Water Project could provide useful quantities of water to Southern Californians. Today the board officially rejected the proposal.

"The Cadiz water grab posed a great threat to the environment, impacting two national parks, five wilderness areas, several endangered species and local air quality," says Elden Hughes, chairman of the Sierra Club's California/Nevada Desert Committee.

"There also isn't enough groundwater in the Mojave Desert to provide the amount the company has been projecting," adds Simeon Herskovits of the Western Environmental Law Center in Taos, New Mexico. "And we would have challenged it in court."

"We owe the defeat of the Cadiz Project to the efforts of Senator Dianne Feinstein (D-Calif), Representative Jerry Lewis (R-Calif) and a coalition of public advocacy groups," says Courtney Cuff, director of the National Parks Conservation Association. In addition to the NPCA, that coalition includes The Sierra Club, The Western Environmental Law Center, Desert Survivors and Public Citizen.

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