

**NEWS BULLETIN**

FROM:



**RE: Headwaters Incorporated**  
10701 S. River Front Parkway, Suite 300  
South Jordan, UT 84095  
Phone: (801) 984-9400  
**NYSE: HW**

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FOR FURTHER INFORMATION

**AT THE COMPANY:**

Sharon Madden  
Vice President of Investor Relations  
(801) 984-9400

**ANALYST CONTACT:**

Tricia Ross  
Financial Profiles  
(310) 622-8226

**FOR IMMEDIATE RELEASE**

**HEADWATERS INCORPORATED APPLAUDS EPA  
ACTION TO RESTORE REGULATORY CERTAINTY  
FOR COAL ASH**

**SOUTH JORDAN, UTAH, JANUARY 29, 2014 (NYSE: HW) HEADWATERS INCORPORATED**, the nation’s largest manager and marketer of Coal Combustion Products (“CCPs”), today applauded a U.S. Environmental Protection Agency action that will lead to regulatory certainty for coal ash as a “non-hazardous” material.

A Consent Decree signed by Headwaters and all other parties to the Appalachian Voices vs Gina McCarthy lawsuit was delivered to the Federal DC District Court on January 29, 2014. The Consent Decree states, “The EPA Administrator shall, by December 19, 2014, sign for publication in the Federal Register a notice taking final action regarding EPA’s proposed revision of RCRA Subtitle D regulations pertaining to coal combustion residuals.”

“We are pleased that EPA is committing to finalize its proposed upgraded standards for coal ash disposal under Subtitle D, the non-hazardous waste section of RCRA,” said Kirk Benson, Headwaters Chairman and Chief Executive Officer. “We will finally achieve regulatory certainty during 2014.”

In 2012, Headwaters sued EPA to force a deadline for finalizing coal ash disposal regulations that were initially proposed in 2010 under the Resource Conservation and Recovery Act (“RCRA”). The proposed regulations created regulatory uncertainty that has dampened the beneficial use of coal combustion products. The District Court agreed with Headwaters and ordered EPA to propose a date by which it would finalize revised coal ash disposal rules. In the Consent Decree, the parties have agreed to set the date at December 19, 2014, and also not to appeal the Court’s order. This lifts the burden of regulatory uncertainty.

“We have worked with the EPA for over five years and feel very comfortable with the settlement agreed to with Headwaters and the other plaintiffs,” said Benson. “We previously reported that EPA said that alignment of new CCP impoundment water standards with proposed CCP disposal rules ‘could provide strong support for a conclusion that regulation of coal combustion products under RCRA Subtitle D

would be adequate.’ It now appears almost certain that EPA will move forward with Subtitle D nonhazardous waste regulations.”

A possibility remains that Congress could amend RCRA and require states to enforce national Federal Subtitle D nonhazardous waste standards for coal ash disposal under state-issued permits. These legislatively-required permits could improve the overall management of coal ash disposal if enacted.

“In either the legislative or the regulatory approach, the prospect of an unwarranted and damaging ‘hazardous waste’ designation for disposed coal ash is eliminated and the regulatory uncertainty removed,” said Benson. “Regulatory certainty will help us grow the beneficial use of coal ash – safely keeping the material out of disposal facilities, creating economic and environmental value.”

### ***About Headwaters Incorporated***

*Headwaters Incorporated is improving lives through innovative advancements in construction materials through application, design, and purpose. Headwaters is a diversified growth company providing products, technologies and services to the heavy construction materials, light building products, and energy technology industries. Through its coal combustion products, building products, and energy businesses, the Company has been able to improve sustainability by transforming underutilized resources into valuable products. [www.headwaters.com](http://www.headwaters.com)*

### ***Forward Looking Statements***

*Certain statements contained in this press release are forward-looking statements within the meaning of federal securities laws and Headwaters intends that such forward-looking statements be subject to the safe-harbor created thereby. Forward-looking statements include Headwaters’ expectations as to the managing and marketing of coal combustion products, the production and marketing of building products, the licensing of residue hydrocracking technology and catalyst sales to oil refineries, the development, commercialization, and financing of new technologies and other strategic business opportunities and acquisitions, and other information about Headwaters. Such statements that are not purely historical by nature, including those statements regarding Headwaters’ future business plans, the operation of facilities, the availability of feedstocks, and the marketability of the coal combustion products, building products and catalysts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and our future results that are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Actual results may vary materially from such expectations. Words such as “may,” “should,” “intends,” “plans,” “expects,” “anticipates,” “targets,” “goals,” “projects,” “believes,” “seeks,” “estimates,” “forecasts,” or variations of such words and similar expressions, or the negative of such terms, may help identify such forward-looking statements. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances, are forward-looking. In addition to matters affecting the coal combustion products, building products, and energy industries or the economy generally, factors that could cause actual results to differ from expectations stated in forward-looking statements include, among others, the factors described in the caption entitled “Risk Factors” in Item 1A in Headwaters’ Annual Report on Form 10-K for the fiscal year ended September 30, 2013, Quarterly Reports on Form 10-Q, and other periodic filings.*

*Although Headwaters believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that our results of operations will not be adversely affected by such factors. Unless legally required, we undertake no obligation to revise or update any forward-looking statements for any reason. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Our internet address is [www.headwaters.com](http://www.headwaters.com). There we make available, free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our reports can be accessed through the investor relations section of our web site.*

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