

NEWS BULLETIN
FROM:
**FINANCIAL
RELATIONS BOARD**

RE: Headwaters Incorporated
10653 S. River Front Parkway, Suite 300
South Jordan, UT 84095
Phone: (801) 984-9400
NYSE: HW

FOR FURTHER INFORMATION

AT THE COMPANY:
Sharon Madden
Vice President of Investor Relations
(801) 984-9400

AT FINANCIAL RELATIONS BOARD:
George Zagoudis
Analyst Contact
(312) 640-6663

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HEADWATERS INCORPORATED FORMS CARBON DIOXIDE EMISSIONS JOINT VENTURE WITH UNIVERSITY OF UTAH

SOUTH JORDAN, UTAH, APRIL 21, 2009 (NYSE:HW) – HEADWATERS INCORPORATED announced today that it has formed a joint venture with the University of Utah to help fill a growing need to capture and store carbon dioxide (CO₂) emissions. The new company, called Headwaters Clean Carbon Services LLC (HCCS), will provide a full range of services for CO₂ geologic storage and CO₂ used for enhanced oil recovery and enhanced coal-bed methane recovery.

“Headwaters Clean Carbon Services will be a leader in carbon capture and storage, an important new industry that could attract tens of billions of investment dollars over the next two decades and help create a cleaner, healthier planet. This initiative is consistent with Headwaters’ strategy of pursuing new opportunities that leverage our ability to commercialize leading-edge technologies, and fits within our focus on sustainability. We expect it will have a positive impact on Headwaters financial performance this year as we get involved in projects that are already well into the planning stage,” said Kirk Benson, Chairman and CEO of Headwaters.

The joint venture partners complement each other in their expertise. “The University of Utah has exceptional CO₂ sequestration know-how and technology developed by a team led by Dr. Brian McPherson, and HCCS will leverage that know-how. Headwaters has a proven track record for successfully managing large projects and has strong relationships with coal-fired power plants in the United States. As the managing partner, Headwaters brings expertise in project management, engineering, procurement, construction, operations, and risk management,” said Jim Lepinski, President of HCCS.

“It is exciting to be on the forefront of this historic shift in US policy to deal with carbon dioxide,” said Dr. McPherson. “I believe there are projects immediately available to HCCS to further sequestration opportunities,” he added.

The momentum for creating an entirely new industry surrounding carbon capture and storage has been building since passage of the stimulus bill. The American Recovery and Reinvestment Act increases federal support for deployment of carbon capture and storage projects by 70 percent to over \$8 billion. Analysts at Emerging Energy Research (EER), an energy advisory firm, predict that global carbon capture and storage project investment could reach between \$30 billion and \$70 billion a year by 2030. The importance of carbon capture and storage was further underscored by a recent Environmental Protection Agency finding that greenhouse gas emissions like carbon dioxide endanger the public health and welfare of current and future generations.

“Currently, we have identified six projects with potential funding of almost \$400 million in which HCCS can participate. As these projects progress, Headwaters will reallocate resources and staffing to capitalize on this significant opportunity,” said Lepinski. “Combined with University of Utah personnel and resources, we have a unique opportunity to forge a strong pioneering position in carbon dioxide sequestration.”

About Headwaters Incorporated

Headwaters Incorporated's vision is to improve sustainability by transforming underutilized resources into valuable products. Headwaters is a diversified growth company providing products, technologies and services to the energy, construction and home improvement industries. Through its energy, coal combustion products, and building products businesses, the Company earns a revenue stream that helps to provide the capital to expand and acquire synergistic new business opportunities.

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 cleaned coal, the production and marketing of building materials and products, the production and marketing of hydrogen peroxide, the licensing of resid hydrocracking technology and catalyst sales to oil refineries, the availability of refined coal tax credits, 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, cleaned coal, building products, hydrogen peroxide, catalysts, and the availability of tax credits, 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,” 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, energy, and building products 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, 2008, Quarterly Reports on Form 10-Q, and other periodic filings and prospectuses.

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. 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.