

PLASMA ENVIRONMENTAL TECHNOLOGIES INC.

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PRESS RELEASE

FOR IMMEDIATE RELEASE
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TSX Venture Exchange
Symbol: PE
Shares Outstanding: 26,751,986

**LETTER OF INTENT SIGNED WITH NEW YORK STATE RECYCLING AND WASTE
HANDLING COMPANY.**

TORONTO, Canada – Plasma Environmental Technologies Inc. (PET) is pleased to announce that it has signed a Letter of Intent (LOI) with a New York State Recycling and Waste Handling Company (**The “Company”**). The joint venture will be to develop a plasma assisted gasifier (**“PAG”**) that converts municipal solid waste into electricity, a technology co-owned by **Kinectrics Inc.**

The PAG is a unique cogeneration system that safely and effectively destroys organic wastes while producing electricity. The PAG incorporates a Graphite plasma reactor that operates as a closed system without combustion, and consequently it is much cleaner than incineration. The PAG converts organic waste into a synthetic gas that is used to produce electricity. The electricity produced can either be sold, or used internally to supplement site operations.

The project will be in two phases. Phase 1 is the development, installation and testing of a pilot scale PAG system. Phase 2 is the development, installation and testing of a commercial scale PAG system, capable of handling 40 to 60 tonnes/day.

Large municipalities and industry are looking for solutions to both their waste management needs, as well as a means of reducing rising energy costs. The PAG technology represents a cost-effective and environmentally-safe solution. While diverting waste from landfills, PAG offers a way to lower energy and electricity costs. The PAG is of interest to all levels of governments and industry seeking safe, and affordable, solutions for waste disposal.

According to the terms of the LOI, the Recycling and Waste Handling Company will provide the operating site, permits and approvals, and suitable waste feedstock for the PAG System. In

addition they will assist in the final design of material handling and movement of the waste to optimize the performance of the PAG. Working with PET the company will seek out customers for the excess energy that will be produced with the Commercial PAG System. PET and its partners will provide the PAG and related technology.

“This Letter of Intent represents the third significant opportunity that our company has secured in the past six months” said John Wright, President of PET. A significant player in Recycling and Waste Handling, both in the United States and Canada, our partner in this project is well positioned to provide the PAG technology to many of its customers.

Most municipalities in North America are facing major challenges with handling their MSW, while at the same time they are facing rising energy and electricity costs. PET and its partners are well positioned to capitalize on these growing market opportunities with the PAG technology.

Kinectrics, formerly a division of Ontario Hydro, is now an independent company formed to help the North American energy sector improve business performance through science and engineering. Based in Toronto, Kinectrics applies its expertise to generation, transmission, distribution, and industrial energy services. Kinectrics is also internationally renowned in the field of environmental engineering, including applications of plasma arc technology.
www.kinectrics.com

Plasma Environmental Technologies Inc. is a Canadian public company that trades on the TSX Venture Exchange (symbol: PE). PET develops and markets plasma-based systems for the safe and cost-effective destruction of hazardous and non-hazardous wastes. Plasma technology is a thermal, non-incineration process that destroys liquid, gaseous, and solid wastes by breaking apart their molecular bonds and reforming them into non-hazardous by-products or commodities for commercial use.

For more information, please refer to PET’s website, www.plasmaenvironmental.com
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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Some statements contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially. All statements, other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will

prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ any from the Company's expectations are disclosed under the heading "Risk Factors" and elsewhere in documents filed from time to time with the TSX Venture Exchange and other regulatory authorities.

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