

PLASMA ENVIRONMENTAL TECHNOLOGIES INC.

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NEWS RELEASE

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TSX Venture Exchange
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**PLASMA and KINECTRICS REACH MILESTONE WITH COMPLETION OF PAG
PROTOTYPE**

Four tonne per day system ready for pilot testing of waste to fuel gas conversion process

TORONTO, Canada – Plasma Environmental and Kinectrics, have completed construction of a four tonne pilot Plasma Assisted Gasifier (PAG) system developed using the technology jointly owned by Plasma Environmental and Kinectrics. The unit, currently housed at a facility in Vaughan, Ontario, is designed to use plasma arc technology to cleanly convert selected waste, diverted from landfill, into the fuel gases required to power generators in distributed energy projects.

The PAG unit has been under construction for the past year. With completion, we are set to move forward with Plasma's joint venture partners. Plasma President John Wright says this is a major milestone for the company. "All of our work to date has shown the value of a system that can cleanly and efficiently turn waste to energy. With the four tonne pilot system in place and functional we will be able to work with our partners to process their specific waste and further verify PAG's commercial viability."

The PAG unit has been developed with Kinectrics, co-owner of the 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. Kinectrics CEO David Harris expressed his satisfaction with this significant achievement, indicating. "This is good news for Kinectrics and Plasma, and for the commercialization of PAG. There is growing interest in this technology from a number of North American and international organizations for a non incineration based means of destroying and recovering energy from a wide range of waste streams. The combination of a non incineration based technology, complete destruction of waste and energy recovery makes this technology a real winner".

Plasma's "Plasma Assisted Gasifier" (PAG) process is a unique cogeneration system that safely and effectively converts targeted solid organic waste into energy. The PAG utilizes the plasma gasification of waste materials with significant inherent BTU values to produce a high value fuel gas which is rich in Hydrogen. Waste (feedstock) that may be converted by the PAG includes sorted municipal solid waste (MSW) with a high BTU value, de-watered sludges, and chipped tires. The energy produced can either be sold, or used internally to supplement the site's electricity costs. This form of distributed, alternative energy is a rapidly growing market, as municipalities and industrial users look for ways to lower their waste handling costs as well as their energy costs and do it in an environmentally friendly way.

Plasma Environmental Technologies Inc. is a Canadian public company that trades on the Canadian 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 converts targeted solid wastes into energy (heat and electricity)

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

For more information, please refer to PET's website, www.plasmaenvironmental.com
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