

PLASMA ENVIRONMENTAL TECHNOLOGIES INC.

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PRESS RELEASE

FOR IMMEDIATE RELEASE

October 27, 2006

Toronto, Ontario

TSX Venture Exchange

Symbol: PE

Shares Outstanding: 36,270,014

PLASMA ANNOUNCES PRIVATE PLACEMENT FINANCING

Plasma Environmental Technologies Inc. (the “Company”) (TSX Venture-YPL) is pleased to announce that Research Capital Corporation (the “Agent”) has been retained as lead agent in a private placement financing of up to \$2,080,000 through the sale of up to 13,000,000 units at a price of \$0.16 per unit. Each unit will consist of one common share, one flow-through common share and a one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company exercisable at a price of \$0.10 per share for a period of 24 months from the closing date. Securities issued pursuant to the placement are subject to a four-month hold period.

For its services, the Agent will be paid a 10% commission and will receive broker units equivalent to 10% of the number of units sold. The broker units will consist of two common shares and one broker warrant. Each broker warrant will entitle the Agent to acquire one common share of the Company exercisable at a price of \$0.10 per share for a period of 24 months from the closing date.

In addition, the Company has agreed to grant the Agent an over-allotment option (the “Greenshoe”). The Greenshoe entitles the Agent to sell units equivalent to 15% of the number of units sold under the private placement. The Greenshoe will be exercisable for a period 60 days from the closing date at a price of \$0.16 per unit.

One-half of the proceeds of the financing will be used to incur Canadian Renewable and Conservation Expenses to be renounced to the subscribers, \$250,000 will be advanced to Zero Waste Energy Systems Inc. (“ZWES”) in connection with the Company’s proposed acquisition of ZWES (see press release dated August 24, 2006) and the remainder of the proceeds will be used for general working capital purposes.

Completion of the private placement is subject to regulatory approval, including satisfaction of the requirements of the TSX Venture Exchange.

For further information contact Alex Falconer, Chief Financial Officer at (416) 332-9693.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.