

PLASMA ENVIRONMENTAL TECHNOLOGIES INC.

1100 Burloak Drive, Suite 300
Burlington, Ontario L7L 6B2

NEWS RELEASE

FOR IMMEDIATE RELEASE

September 20, 2006

Toronto, Ontario

TSX Venture Exchange

Symbol: PE

Shares Outstanding: 36,270,014

SIEMENS AND ZWES ENTER STRATEGIC PARTNERSHIP

TORONTO, Canada – Siemens in Canada, through its Building Technologies group and Zero Waste Energy Systems Inc. (ZWES) have entered into a strategic partnership agreement to produce green energy from waste. Alex Falconer, Chairman and CFO of Plasma Environmental Technologies Inc. (PE:TSXV), which announced on September 1, 2006, its proposed acquisition of ZWES, says ZWES and Siemens will jointly develop small-scale distributed power plants in southern Ontario to run on organic waste fuels.

Under this agreement, Siemens will; design, build, operate and maintain waste to energy infrastructure using ZWES engineered fuels; facilitate project financing and financial structuring; apply for and receive permits, licenses and other regulatory approvals as required on behalf of customer; provide performance-based systems operation and maintenance; provide technical support to ZWES in development, evaluation, selection of thermal conversion technologies and related emission control technologies; negotiate thermal sales agreements with end users; and negotiate electric interconnection agreements with local utilities or similar entities.

ZWES responsibilities under the agreement will be to develop standardized, engineered fuels from biomass feedstocks; provide testing of engineered fuel blends and by-product emissions to ensure consistency and repeatability; apply generally accepted standards for fuel engineering and production; ensure consistency of delivered engineered fuel products meets specified standards; secure sources of biomass feedstock to ensure availability of appropriate engineered fuels in sufficient quantities to meet contracted demand; develop, produce/provide emissions control technology suitable for use with engineered fuel blends; take responsibility for collection, storage, treatment, transportation, disposal and related costs (permits, licenses, fees, insurance and other as required) of waste products resulting from biomass waste to energy conversion processes; provide warranties for merchantability and fitness for purpose in respect of all thermal technologies supplied by ZWES; and use best efforts to use Siemens' technologies in the configuration and construction of applicable equipment and facilities.

The first plant will be constructed in southwestern Ontario. It is expected to supply electricity to the grid under Ontario's recently announced Standard Purchase Offer at 11 cents per kilowatt hour, and thermal power to local agricultural greenhouses at prices significantly below those of fossil fuels.

“This strategic partnership is a great opportunity for us to apply our engineering and technology expertise in the rapidly expanding area of renewable energy,” says Doug Morton,

Senior Vice President of Siemens. “It is a natural extension of our successful portfolio of Energy & Environmental Solutions and demonstrates Siemens’ corporate commitment to environmental sustainability.”

Bruce Coxhead, President of ZWES, says “we are delighted to have formed this relationship with one of the world’s largest industrial technology companies for the systematic development of facilities that will supply clean and inexpensive energy to Ontario industries.”

ZWES is a GTA-based renewable energy company focused on the manufacture of both standardized engineered fuels from biomass waste and the equipment required to convert those fuels into electrical and thermal energy.

Plasma markets and develops plasma-based systems for the safe and cost-effective destruction of hazardous and non-hazardous wastes. The technology combined from the two companies enables ZWES to add plasma gasification of waste-to-energy and plasma destruction of hazardous materials to its extensive range of negative-cost energy producing feedstocks.

Siemens is one of the largest and most diversified companies in the world, providing innovations in areas such as health care, information & communications, energy & power, industry & automation, transportation and lighting. In Canada, Siemens is a multi-billion dollar company headquartered in Mississauga, Ontario, with more than 7,200 employees located in 76 offices and 7 major manufacturing facilities.

For more information, please contact:

Alex Falconer

Plasma Environmental Technologies Inc.

Phone: (905) 332-9693

Fax: (905) 332-9792

Email: falconer@plasmaenvironmental.com

www.plasmaenvironmental.com

Ian Lipton

Zero Waste Energy Systems Inc.

Phone: (416) 460-4286

Fax: (416) 363-8434

Email: ianlipton@zwes.ca

DL Leslie

Siemens Canada Limited

Phone: (905) 819-5926

Fax: (905) 819-5793

Email: dl.leslie@siemens.com

Completion of the proposed acquisition of ZWES is subject to a number of conditions, including Exchange acceptance and Shareholder approval. The proposed acquisition of ZWES cannot close until the required Shareholder approval is obtained. There can be no assurance that the proposed acquisition of ZWES will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the proposed acquisition of ZWES, any information released or received with respect to this proposed acquisition of ZWES may not be accurate or complete and should not be relied upon. Trading in the securities of Plasma should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed acquisition of ZWES and has neither approved nor disapproved the contents of this press release.

This news release contains forward-looking statements that are subject to certain risks and uncertainties that may cause actual results to differ materially from those projected on the basis of such forward-looking statements. Such forward-looking statements are made based upon management's beliefs, as well as assumptions made by, and information currently available to, management. The following are, without limitations, important factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements: worldwide changes in the price of fossil fuels, general market conditions, risks associated with development, construction and biomass power plants operation, uncertainty of future profitability and uncertainty of access to additional capital.
