



## SEPROTECH SYSTEMS INCORPORATED

### NEWS RELEASE

*Canadian Timely Disclosure– For Release August 11, 2004*

#### **SEPROTECH TO ENTER INTO \$600,000 NON-BROKERED PRIVATE PLACEMENT WITH CURRENT INVESTORS AND OTHERS**

Seprotech Systems Incorporated (SET-X; “Seprotech”) has received a funding commitment from significant existing shareholders, Seprotech’s directors, management and certain other new and existing investors for a private placement of units of Seprotech which will result in gross proceeds to it of approximately \$600,000 (Six Hundred Thousand Dollars). The company intends to use the net proceeds of the financing for working capital purposes to carry out its business plan and to complete certain contracts.

In consideration of the funds delivered, Seprotech shall issue units, each unit consisting of (a) an unsecured convertible debenture in the principal amount of \$1,000 maturing on March 31, 2005 which shall bear interest at the rate of 12% (twelve percent), and (b) 2,000 warrants, each warrant entitling the holder thereof to purchase at any time one common share of Seprotech for \$0.20 per share. Seprotech shall have the option to repay the principal under the debentures, in whole or in part, before the maturity date. Repayment would be made in *pro rata* multiples of \$50,000 and applied first to any accrued interest.

In addition, the holders of existing convertible secured debentures have indicated that they wish to exercise their right to convert such debentures to common shares as of July 31, 2004, in advance of the February 12, 2005 maturity date at conversion prices equal to the previously fixed conversion price of \$0.10 for the principal and a current market price of \$0.20 (subject to Exchange approval) for the accrued interest.

**“The continued confidence of the directors and existing shareholders of the company is once again expressed by both this conversion and further financing”, stated Harry Marshall, Chairman of the Board. “As we continue to increase our total sales dollars and contract size this funding will allow us the growth financing we need to continue to meet our objectives in the coming year as well to expand into further geographical areas for our market niche.”**

Completion of the private placement is subject to the approval of the TSX Venture Exchange, completion of the convertible secured debenture conversion, and the execution of the final legal documentation.

Seprotech is a provider of environmental solutions in water and wastewater to the land development, industrial and military market place.

For Further Information, please contact:

Dr. Gilles R. Turcotte

Investor Relations

Tel: (613) 523-1641

Tax: (613) 731-0851

[gturcotte@seprotech.com](mailto:gturcotte@seprotech.com)

The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.