



## SEPROTECH SYSTEMS INCORPORATED

### NEWS RELEASE

*Canadian Timely Disclosure Pack – For Release 12 July 2007*

### ***Seprotech Agrees to Terms of Private Placement with Toronto-based Investment Firm***

OTTAWA, ONTARIO, 12 July 2007. Seprotech Systems Incorporated (SET-X; “Seprotech”) is pleased to announce it has agreed to a \$396,000 private placement with a Toronto-based investment firm with over \$600 million in assets (‘the Fund’). Completion is subject to regulatory approval and scheduled for closing not later than July 25, 2007.

The private placement with the Fund will consist of 1,800,000 Units at \$ 0.22 per Unit. Each Unit will consist of one common share of Seprotech and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one common share of Seprotech at an exercise price of \$ 0.30 for a period of 24 months.

"Seprotech has just emerged from a lengthy R&D cycle and we are now increasingly adjusting our focus towards strategic relationships and distribution improvements", said Martin Hauschild, President and CEO of Seprotech. "This private placement provides Seprotech with additional working capital and another strong institutional shareholder as we begin to commercialize new technologies. In addition, this arrangement builds shareholder value by widening Seprotech's presence in the investment community."

Seprotech is a provider of pre-engineered water and wastewater treatment plants to the land development, industrial and military market place, including membrane-based water treatment systems and the ROTORDISK® biological wastewater treatment systems.

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The TSX Venture Exchange has neither approved nor disapproved of the information contained herein. Certain statements in this news release may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual achievements to differ materially from those expressed in the forward-looking statements. Seprotech does not assume responsibility for the accuracy and completeness of the forward-looking statements and do not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.