

SEPROTECH SYSTEMS INCORPORATED

NEWS RELEASE

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SEPROTECH ANNOUNCES THIRD QUARTER RESULTS

Seprotech Systems Incorporated (SET-X; “Seprotech”), is announced the following unaudited results for the third quarter 2008.

	Three Months Ended May 31		Nine Months Ended May 31	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>
Revenue	1,301	2,352	5,305	5,595
Net Income (Loss)	(544)	133	(857)	98
Earnings (Loss) per share	(0.01)	0.00	(0.02)	0.00

“Seprotech’s third quarter fell short of Management’s expectations due to delays in a number of orders. Several of these have now been booked and current order backlog has reached a record \$6.1M”, said Martin Hauschild, President & CEO of Seprotech. “In addition, margins were lower as we near completion of the integration of the P.J. Hannah Equipment Corp acquisition.”

“We continue to see a large volume of potential orders from the emerging economies of Latin America and the mining sector remains a growth driver for Seprotech,” continued M. Hauschild. “Our product and market diversification strategy has been compensating for weakness in the US housing sector where we do not see a rebound before the end of the year. We are anticipating that margins will increase as the P.J. Hannah backlog is cleared in the fourth quarter and cost efficiencies realized”, added Mr. Hauschild.

“The Company remains well positioned moving into next fiscal year as the benefits of the PJH Equipment Corp. acquisition and the outsourcing of manufacturing to Mexico are fully realized. Management continues to seek strategic alliances through partnerships and licensing in markets where concerns are growing over the protection of water resources

both in terms of sustainable development and its health related implications,” concluded Mr. Hauschild.

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

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