



SEPROTECH SYSTEMS INCORPORATED

NEWS RELEASE

Canadian Timely Disclosure Pack – For Release 12 July 2007 – after market close

SEPROTECH ANNOUNCES THIRD QUARTER RESULTS:

Seprotech Systems Incorporated (SET-X; “Seprotech”) is pleased to announce the following unaudited results for the third quarter 2007.

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	May 31		MAY 31	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>
Revenue	2,352	953	5,595	2,714
Net Income (Loss)	133	(288)	98	(669)
Earnings (Loss) per share	0.00	(0.01)	(0.00)	(0.02)

“Seprotech has delivered its second straight profitable quarter and has more than doubled revenue over the same period last year” said Martin Hauschild, President and CEO of Seprotech. “We remain on track to deliver both record revenue and a profitable fiscal year for the company based on current sales backlog.”

“The mining sector continues to be a revenue driver and we are seeing a significant increase in inquiries from the emerging economies of Latin America where economic growth is strong,” continued Hauschild. “Concerns over the protection of water resources, both in terms of sustainable development and health related implications, have grown steadily throughout Latin America & the Caribbean. Our company is also active in on-site water and wastewater infrastructure for municipalities and developers and this part of the market remains weaker than usual due to the U.S housing slump. We anticipate a pickup sometime in the next 12-18 months as land developers begin to experience lower inventories.

“Our efforts to build strategic alliances have positioned the company for growth into the next fiscal year” added M. Hauschild. “Management’s goal of positioning the company for expansion into key markets through strategic alliances is highlighted in the recent agreements with Raymac Environmental Services of Nanaimo, and Evans Power, a subsidiary of Valsi Corporation, a major Mexican company having over 400 offices and manufacturing sites throughout the country.”

“Having completed a lengthy technology development cycle, we are now ready to fully commercialize our proprietary water treatment technologies. To this end, Management will continue to seek out strategic alliances through partnerships and licensing, and increase competitiveness through outsourcing of manufacturing to compensate for the rising Canadian dollar,” said Hauschild.

“Operational improvements and product standardisation have increased Seprotech’s growth potential.” said Justin Connidis, Chairman of Seprotech “With an expanding proprietary technology base, Seprotech is well positioned to address growing global concerns on the sustainability of water resources.”

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

For Further Information, please contact:

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