



SEPROTECH SYSTEMS INCORPORATED

NEWS RELEASE

Canadian Timely Disclosure Pack – For Release June 30, 2006 – before open of markets

SEPROTECH ANNOUNCES THIRD QUARTER RESULTS

Seprotech Systems Incorporated (SET-X; “Seprotech”) announces the following unaudited results for the third quarter 2006:

	Three Months Ended May 31		Nine Months Ended May 31	
	2006 (unaudited)	2005 (unaudited)	2006 (unaudited)	2005 (unaudited)
	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>
Revenue	953	1,618	2,714	4,018
Net Income (Loss)	(288)	118	(669)	(234)
Earnings (Loss) per share	(0.01)	0.00	(0.02)	(0.01)

Third quarter performance was negatively impacted by lost or delayed contract awards for ROTORDISK® biological wastewater treatment systems and increases in the Canadian dollar exchange rate and the price of raw materials; in particular steel. Management is addressing competitiveness issues by planning for outsourcing of some production to the United States as well as design changes to permit the use of alternative raw materials.

“Although our work in the Military and Government sector remains well on track and ahead of plan, we are disappointed with our ROTORDISK® bookings particularly in the Municipal and Developer Sector,” said Martin Hauschild, President & CEO of Seprotech. Exports from Canada are an important part of Seprotech business. We are dealing with the new reality of a much higher Canadian dollar and raw materials prices that are squeezing our competitiveness in the market. We are confident that we can improve our competitiveness through planned measures.”

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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