



SEPROTECH SYSTEMS INCORPORATED

NEWS RELEASE

Canadian Timely Disclosure Pack – For Release 12 December 2006

SEPROTECH ANNOUNCES FOURTH QUARTER AND FISCAL YEAR RESULTS

Seprotech Systems Incorporated (SET-X; “Seprotech”) announces the following results for the fourth quarter 2006 (unaudited) and fiscal year end (audited).

	Three Months Ended		Year Ended	
	31 August 2006 2006 (unaudited)	2005 (unaudited)	31 August 2006 2006 (audited)	2005 (audited)
	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 000</u>
Revenue	\$507	\$1,431	\$3,221	\$5,448
Net Income (Loss)	(383)	97	(1,051)	(137)
Earnings (Loss) per share	(0.01)	0.00	(0.03)	(0.00)

“The financial results for the year ending 31 August 2006 were not to our expectations”, said Martin J. Hauschild, President & CEO, “A combination of factors including delayed sales closings, a higher Canadian dollar and escalating steel prices, contributed to a very challenging year. The operational and technological changes we have been implementing since last summer will lead to much stronger results going forward.”

The change in the Company’s cash position for the year is \$337,481. Throughout the fiscal year, the Company continued to invest time and money in marketing and R&D. “Our marketing efforts are now delivering, with substantial orders being booked and announced today,” Mr. Hauschild said. “In the past year, the company has filed two new patent applications for proprietary wastewater treatment technologies. Management is committed to continuing to make R&D investments and working to reduce material and labour costs per unit to ensure the Company delivers superior environmental technologies to its customers.”

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.

For Further Information, please contact:

Mr. Robert J. Searle
 Investor Relations
 Tel: (613) 523-1641
 Fax: (613) 731-0851
rsearle@seprotech.com

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.

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Ottawa Head Office: 2378 Holly Lane, Ottawa, Ontario, Canada, K1V 7P1, Telephone: (613) 523-1641, Fax: (613) 731-0851
Toronto Office: 509-3100 Steeles Avenue West, Vaughan, Ontario, Canada, L4K 4Y4, Telephone: (905) 660-7580, Fax: (905) 660-0243
www.seprotech.com