

# SEPROTECH SYSTEMS INCORPORATED

## NEWS RELEASE

*TSX Disclosure Pack – For Release October 6th, 2009*

### **SEPROTECH RECEIVES REGULATORY APPROVAL FOR DEBT FOR SHARES SETTLEMENT AGREEMENTS AND RE-EXTENDS OFFER TO CREDITORS**

Seprotech Systems Incorporated (TSX-V: SET; “Seprotech”) is pleased to announce that it has received regulatory approval for the satisfaction of debts and commissions owed to staff (“Staff”) in the aggregate amount of \$125,500.00. The debts being converted have all been previously accrued and reported on the financial statements of Seprotech as per the announcement made on the 6<sup>th</sup> of August 2009.

Under the terms of the regulatory approval for the Settlement Agreements, Seprotech has moved forward with the settlement of \$55,500.00 of debt. As a related party transaction, the settlement of \$70,000.00 in debts owed to Officers and Directors of the company under the contractual terms of the Settlement Agreements is subject to disinterested shareholder approval at the next Annual General Meeting (“AGM”) planned for February 2010. Should shareholder approval not be secured under the terms of the signed Agreements at the AGM, the debt owed will be immediately due in full and subject to a 12% interest penalty.

In light of renewed interest, Seprotech is re-extending the offer to enter into comparable Settlement Agreements with external creditors. The offer is open to any creditor of Seprotech who expresses an interest in such a transaction by the 16<sup>th</sup> of October at the rate of one common share for each \$0.075 of debt converted. The offer to convert a maximum of \$150,000.00 of debt per creditor and a maximum aggregate conversion of \$350,000.00 in debt is subject to all applicable regulatory requirements and consents.

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.

For Expressions of Interest and Further Information, please contact:

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