

SEPROTECH SYSTEMS INCORPORATED

NEWS RELEASE

TSX Disclosure Pack – For Release August 6th, 2009

SEPROTECH TO ENTER INTO DEBT FOR SHARES SETTLEMENT AGREEMENTS WITH CERTAIN CREDITORS

Seprotech Systems Incorporated (TSX-V: SET; “Seprotech”) has reached an agreement (the “Settlement Agreement”) for the satisfaction of debts and commissions owed to sales staff (“Staff”) in the aggregate amount of \$125,500. Pursuant to the terms of the Settlement Agreements, Seprotech and the Staff have agreed to convert debt owed by Seprotech into common shares of Seprotech resulting in the issuance of an aggregate of 2,510,000 common shares to the Staff.

The debts being converted have all been previously accrued and reported on the financial statements of Seprotech. Completion of the transaction contemplated by the Settlement Agreements is subject to the execution of the legal documentation and receipt of regulatory approval.

Subject to all applicable regulatory requirements and consents, Seprotech proposes to enter into comparable settlement agreements within the next 3 weeks on substantially the same terms with any other creditors of Seprotech who express an interest in such a transaction at the rate of one common share for each \$0.075 of debt converted, with a maximum conversion of \$30,000.00 of debt per creditor, and a maximum aggregate conversion of \$300,000.00 in debt.

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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