

August 25, 2004



Perma-Fix Prepays Senior Subordinated Debt

ATLANTA, Aug. 25 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE: ; Germany: PES.BE), a national environmental services company providing unique mixed waste and industrial waste management services, has prepaid the \$5.6 million principal amount of its 13.5% Senior Subordinated Notes due July 31, 2006, plus accrued interest and applicable fees.

As a result of the pre-payment, the company will eliminate annual interest expense of approximately \$760,000 associated with this senior subordinated debt. Additionally, Perma-Fix will no longer amortize the debt discount and prepaid financing fees from the original financing, resulting in additional savings of approximately \$584,000 per year. However, the company will take a one-time, non-cash charge of approximately \$1.2 million in the third quarter of 2004 for the write-off of the unamortized portion of the above discussed debt discount and prepaid financing fees and will pay an early termination fee of approximately \$190,000, as a result of the pre-payment.

"Following our private placement earlier this year, we funded the recent acquisition and have now eliminated our high interest subordinated debt, which will be accretive to earnings through 2006 after the one time hit in the third quarter of 2004," stated Louis F. Centofanti, Chairman and CEO of Perma-Fix. "Looking ahead, we will continue to focus on generating free cash flow, and the further reduction of our debt."

Perma-Fix Environmental Services, Inc. is a national environmental services company, providing unique mixed waste and industrial waste management services. The Nuclear Segment provides radioactive and mixed waste treatment services to hospitals, research laboratories and institutions, numerous federal agencies including the Departments of Energy and Defense and nuclear utilities. The Industrial Segment provides hazardous and non-hazardous waste treatment services for a diverse group of customers including Fortune 500 companies, numerous federal, state and local agencies and thousands of smaller clients. The Company operates eleven major waste treatment facilities across the country.

This press release contains "forward-looking statements" which are based largely on the Company's expectations and are subject to various business risks and uncertainties, certain of which are beyond the Company's control. Forward-looking statements include, but are not limited to, the information concerning the elimination of our high interest debt being accretive to earnings after the one time hit in the third quarter of 2004, generating free cash flow and further reduction of our debt. These forward-looking statements are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. While the Company believes the expectations reflected in this news release are reasonable, it can give no assurance such expectations will prove to be correct. There are a

variety of factors which could cause future outcomes to differ materially from those described in this release, including without limitation, future economic conditions, industry conditions, competitive pressures, changes in environmental laws, the Company's ability to be profitable on a consistent basis, the Company's ability to generate cash flow as expected, no unforeseen demands on its cash and other factors as discussed in the Company's Form 10-K for year ended December 31, 2003, under "Special Note Regarding Forward- Looking Statements." The Company makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that bear upon forward-looking statements.

Please visit us on the World Wide Web at <http://www.perma-fix.com>.

Source: Perma-Fix Environmental Services, Inc.