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Perma-Fix Subsidiary Awarded a Multi-Million Dollar Contract by Washington Savannah River Company for Treatment and Disposal of Low-Level and Mixed PUREX Waste

OAK RIDGE, Tenn., Aug. 22 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE: PESI; Germany: PES.BE) announced that its wholly owned subsidiary, East Tennessee Materials & Energy Corporation (M&EC), has been awarded a contract, not-to-exceed \$2.7 million, to treat and dispose of approximately 50,000 gallons of low-level radioactive and mixed low-level PUREX solvent waste (PUREX) currently stored at the Department of Energy's (DOE) Savannah River Site (SRS). The SRS complex covers 198,344 acres, or 310 square miles, located in the southeastern corner of South Carolina. SRS is owned by DOE and operated by an integrated team led by Washington Savannah River Company (WSRC).

SRS was constructed during the early 1950's to produce the basic materials used in the fabrication of nuclear weapons; primarily, tritium and plutonium- 239 in support of U.S. defense programs. This was accomplished using facilities such as nuclear reactors and chemical separation plants. Due to changes in DOE's mission after the end of the Cold War, some of the site's facilities are being deactivated.

Under the contract that was awarded to WSRC in 1996, WSRC is responsible for the site's nuclear facility operations. A key cleanup project for WSRC is the deactivation of the "F Canyon" chemical separation facility, which has generated the legacy PUREX waste that requires treatment and disposal by September 2007. WSRC awarded this contract to M&EC for the treatment, and subsequent disposal of the PUREX waste at a DOE approved disposal site.

Dr. Louis F. Centofanti, Chairman and Chief Executive Officer of Perma-Fix said, "PUREX is a unique and challenging waste stream that DOE and WSRC have studied for a number of years to determine if it can be safely and effectively treated to meet disposal site criteria. We are gratified that WSRC has selected M&EC to undertake this challenge by utilizing our extensive facility capabilities and expertise for this project. Perma-Fix has been an industry leader in providing DOE with solutions to treat and dispose of difficult waste streams. Specific to SRS, we have successfully treated and disposed of another F-Canyon liquid waste stream, the Depleted Uranyl Nitrate, which required treatment of 150,000 gallons of complex mixed waste."

Perma-Fix Environmental Services, Inc. is a national environmental services company, providing unique mixed waste and industrial waste management services. The company has increased its focus on the nuclear services segment, which 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 services 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 nine major waste treatment facilities across the country.

This press release contains certain statements which constitute forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1996, including statements that the contract has a potential value not to exceed \$2.7 million. Investors are cautioned that these forward- looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements due to numerous factors, including, but not limited to, general economic conditions, future environmental regulatory restrictions, WSRC's failure to abide by or comply with the contract to deliver waste as anticipated under the contract or termination of the contract prior to its completion. As with all contracts involving the federal government, the federal government may terminate or renegotiate the contract at anytime.

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

SOURCE Perma-Fix Environmental Services, Inc.

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