May 14, 2002

Perma-Fix First Quarter Results May Be Adversely Affected by Continuing Contract Negotiations

ATLANTA, May 14 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE) (Germany: PES.BE) today announced that it is currently negotiating certain contract changes and surcharges related to its Oak Ridge contracts. The Company has completed the processing in connection with certain work orders during the first quarter, recorded the base revenue and costs related to work performed during the first quarter under such work orders, but has not recorded any additional revenue related to the contract changes and surcharges being negotiated. The final negotiated amount for work performed during the first quarter of 2002 related to the contract changes and surcharges under negotiation is not determinable at this time, but could involve a substantial amount. The Company anticipates that its net loss for the first quarter will be approximately $2.0 million, due in part to the Company's inability to finalize these negotiations in time to include related amounts in the first quarter Form 10-Q report. The determination of how these contract changes and surcharges are calculated is important to the Company, as its successful negotiation may also affect the Company's revenue for future work orders under the Oak Ridge contracts.

Dr. Louis F. Centofanti, Perma-Fix chairman and chief executive officer, commented, "These are very complex and technical issues which are typical for the early stages of such contracts and, as a result, take time to finalize and document. We do believe, however, that these negotiations will ultimately prove positive for the Company, but are unable to predict the amount that the Company will be able to recognize as a result of these negotiations."

The Company intends on releasing its unaudited financial results for the first quarter of 2002 on Friday, May 17, 2002, and will hold an investor conference call at 2:00 pm EDT that same day.

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 "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 negotiations involving changes and surcharges to certain contracts, the anticipated net loss of approximately $2.0 million for the first quarter, the negotiations ultimately proving positive, the negotiated changes and surcharges involving substantial amounts and the impact on revenue under all future work orders. 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, the Company's ability to finalize the negotiations relating to the contracts and the amounts of the contract changes and surcharges that the Company can collect as a result of these negotiations. 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.

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