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Perma-Fix Environmental Services Receives Notice of Award of Subcontract to Treat Byproducts From Newport Chemical Depot

NEWPORT, Ind., Dec. 26 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE)(Germany: PES.BE) today announced that its Dayton, Ohio, subsidiary has received from Parsons a notice of award of a subcontract and limited notice to proceed with the post- treatment of the neutralized VX byproduct called hydrolysate. Parsons is currently contracted by the Army to destroy the nerve agent VX stockpile at Newport Chemical Depot, Newport, Indiana. Finalization of this subcontract is subject to Perma-Fix and Parsons entering into a definitive agreement. According to John Stewart, Parsons Site Project Manager, the subcontract valued at approximately $9.0 million was awarded to Perma-Fix's Dayton, Ohio subsidiary, to use a bio-treatment technology to dispose of the byproduct.

Perma-Fix will be responsible for transporting the hydrolysate material from Newport Chemical Depot to its facility for disposal. In addition, Perma- Fix will perform initial demonstration studies and conduct associated public outreach activities in their community.

Destruction of the Newport chemical agent stockpile is expected to begin in the fall of 2003 and will take approximately nine months to complete.

Parsons will neutralize the stockpile in the Newport Chemical Agent Disposal Facility now under construction at the depot. The neutralization process, which irreversibly destroys the chemical agent, involves mixing the liquid nerve agent with a solution of sodium hydroxide and hot water. The process will create a byproduct with characteristics similar to household liquid drain cleaner. "Prior to off-site shipment, the hydrolysate is analyzed to ensure that all agent has been destroyed," said Stewart. The neutralization process will create approximately 900,000 gallons of hydrolysate that will be biologically treated.

Perma-Fix of Dayton will use its "Bio-Fix" process to bio-treat the hydrolysate. In bio-treatment, or biodegradation, bacteria will digest organic compounds in the hydrolysate to form simple compounds. The hydrolysate will be broken down to smaller chemical compounds such as carbon dioxide, water and salts.

Dr. Louis F. Centofanti, Chairman and CEO of PESI stated: "We are very pleased that Perma-Fix was chosen to assist in solving this critical defense project. Our 'Bio-Fix' process is ideally suited for the byproducts in the hydrolysate. The process converts these wastes using a bio process into carbon dioxide, water and salts."

Perma-Fix Environmental Services, Inc. is a national environmental services company, providing unique mixed waste and industrial waste management services. The Company operates nine major waste treatment facilities across the country. 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 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.

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 expected value of this subcontract and the completion of the subcontract. 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 terms of the final definitive subcontract, industry conditions, general economic condition, Parsons' failure to abide by or comply with the subcontract or the Company's inability to perform under the subcontract, changes in applicable laws or additional requirements to be met as demanded by appropriate state or federal authorities. 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.

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