

November 5, 2008



Perma-Fix Announces Results for the Third Quarter of Fiscal 2008

ATLANTA, Nov. 5 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI) today announced results for the third quarter ended September 30, 2008.

Dr. Louis F. Centofanti, Chairman and Chief Executive Officer, stated, "Although budgetary constraints within the Department of Energy (DOE) continued to impact our Nuclear Segment, this has been one of the most positive and dramatic quarters in our company's history. We are pleased to report that on October 1, 2008 we commenced work on the on-site remediation contract in Hanford, Washington. In connection with the project, we expect to generate annual revenue of approximately \$40 million to \$50 million from on-site and off-site services over the next five years, with the opportunity to extend the contract for an additional five years."

Dr. Centofanti continued, "After careful consideration, we recently made the decision to retain our Ft. Lauderdale, South Georgia and Orlando Industrial Segment facilities as they are regionalized in the Southeast and are expected to be relatively self sufficient with positive cash flow, while allowing for the continued focus on our growing Nuclear Segment. In connection with this strategy shift, we have removed these facilities from 'discontinued operations,' where they had been classified since the second quarter of 2007, and reclassified them back into 'continuing operations.' As a result, we have taken a charge of \$486,000 in the third quarter related to the depreciation of the facilities that went unrecorded during the time they were in discontinued operations."

Dr. Centofanti concluded, "As previously disclosed, we received our draft permit from the U.S. Environmental Protection Agency (EPA) for the treatment of radioactive polychlorinated biphenyls (PCBs). We are awaiting approval of our final permit, which has taken longer than anticipated; however, we believe we have successfully met all the necessary requirements and remain optimistic that the permit will be issued by the end of 2008. Upon issuance, this permit will open up a new market for Perma-Fix for thermal destruction of commercial and government PCB wastes. In addition, this permit will facilitate DOE's planned shut down of its TSCA Incinerator, slated for closure in mid 2009, thus allowing Perma-Fix to fill the void for treatment of DOE PCB liquid wastes."

Financial Results

Revenue for the third quarter of 2008 was \$16.0 million, versus \$16.3 million for the same period last year. Revenue for the Nuclear Segment decreased to \$12.5 million versus \$13.2 million for the same period last year. Revenue for the Industrial Segment increased to \$2.6 million versus \$2.5 million for the same period last year. Revenue from the Engineering Segment increased to \$846,000 versus \$629,000 for the same period last year. Operating

loss for the third quarter was \$97,000 versus operating loss of \$65,000 for the same period last year. Operating loss for the third quarter of 2008 included a charge of \$486,000 (\$356,000 recorded in cost of goods sold and \$130,000 recorded in selling general and administrative expenses) related to the depreciation of the Industrial Segment facilities that went unrecorded during the time they were in discontinued operations. Operating loss for the third quarter of 2008 also included an asset impairment recovery of \$507,000 related to Perma-Fix of Orlando, Inc. Net loss applicable to common stockholders for the third quarter of 2008 was \$341,000, or \$0.01 per share, versus net loss of \$2.0 million or \$0.04 per share, for the same period last year. Net loss applicable to common stockholders included a loss from discontinued operations, net of taxes, of \$159,000 for the third quarter of 2008, compared to \$1.5 million for the third quarter of 2007.

The company had EBITDA of \$975,000 during the quarter ended September 30, 2008, as compared to EBITDA of approximately \$1.0 million for the same period of 2007. The company defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States ("GAAP"), and should not be considered in isolation of, or as a substitute for, earnings as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. The company believes the presentation of EBITDA is relevant and useful by enhancing the readers' ability to understand the company's operating performance. The company's management utilizes EBITDA as a means to measure performance. The company's measurements of EBITDA may not be comparable to similar titled measures reported by other companies. Due to the unique transactions that have resulted from bringing the Industrial Segment back into Continuing Operations, like the Asset Impairment Recovery and the "catch-up" of depreciation, the company recognizes that the EBITDA is an "adjusted EBITDA" and understands these differences when measuring performance. The table below reconciles EBITDA, a non-GAAP measure, to net income for the three and nine months ended September 30, 2008 and 2007.

| (In thousands) | Quarter Ended | | Nine Months Ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2008 | September 30, 2007 | September 30, 2008 | September 30, 2007 |
| Net (loss) Income from Continuing Operations | \$ (276) | \$ (403) | \$ 96 | \$ 349 |
| Adjustments: | | | | |
| Depreciation & Amortization | 1,579 | 1,118 | 3,816 | 2,970 |
| Asset Impairment Recovery | (507) | - | (507) | - |
| Interest Income | (52) | (71) | (170) | (238) |
| Interest Expense | 231 | 482 | 917 | 964 |
| Interest Expense - Financing Fees | 14 | 48 | 124 | 143 |
| Income Tax (benefit) expense | (14) | (161) | 3 | 23 |
| EBITDA | \$975 | \$1,013 | \$4,279 | \$4,211 |

The tables below present certain financial information for the business segments, excluding allocation of corporate expenses:

| Quarter Ended September 30, 2008 | Quarter Ended September 30, 2007 |
|-------------------------------------|-------------------------------------|
|-------------------------------------|-------------------------------------|

| (In thousands) | Nuclear | Engineer- ing | Indus- trial | Nuclear | Engineer- ing | Indus- trial |
|-----------------------|----------|------------------|-----------------|----------|------------------|-----------------|
| Net revenues | \$12,519 | \$846 | \$2,624 | \$13,211 | \$629 | \$2,466 |
| Gross profit | 3,168 | 347 | 590 | 4,035 | 231 | 347 |
| Segment profit (loss) | 782 | 170 | 309 | 1,319 | 70 | (279) |

| (In thousands) | Nine Months Ended September 30, 2008 | | | Nine Months Ended September 30, 2007 | | |
|-----------------------|---|------------------|-----------------|---|------------------|-----------------|
| | Nuclear | Engineer- ing | Indus- trial | Nuclear | Engineer- ing | Indus- trial |
| Net revenues | \$41,510 | \$2,537 | \$7,914 | \$38,560 | \$1,738 | \$8,154 |
| Gross profit | 11,279 | 931 | 2,215 | 13,105 | 565 | 1,218 |
| Segment profit (loss) | 3,521 | 433 | 609 | 5,860 | 162 | (1,097) |

About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc., a national environmental services company, provides unique mixed waste and industrial waste management services. The company's increased focus on nuclear services includes radioactive and mixed waste treatment services for hospitals, research labs and institutions, federal agencies, including DOE, DOD, and nuclear utilities. The company's industrial services treat hazardous and non-hazardous waste for a variety of customers including, Fortune 500 companies, federal, state and local agencies and thousands of other clients. Nationwide, the company operates seven waste treatment facilities.

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: we expect to generate annual revenue of approximately \$40 million to \$50 million from the remediation contract in Hanford, Washington from on-site and off-site services over the next five years, with the opportunity to extend the contract for an additional five years; our Ft. Lauderdale, South Georgia and Orlando Industrial Segment facilities are expected to be relatively self sufficient with positive cash flow, while allowing for the continued focus on the Nuclear segment; we believe we have successfully met all the necessary requirements and remain optimistic that the PCB permit will be issued by the end of 2008; upon issuance, the PCB permit will open up a new market for Perma-Fix for thermal destruction of commercial and government PCB wastes; and the PCB permit will facilitate DOE's planned shut down of its TSCA Incinerator, slated for closure in mid 2009, thus allowing Perma-Fix to fill the void for treatment of DOE PCB liquid wastes. 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; our ability to apply and market our technologies; that neither the federal government nor any other party to a subcontract involving the federal government terminates or renegotiates any material contract granted to us prior to expiration

of the term of the contract, as such contracts are generally terminable or renegotiable on 30 day notice, at the government's option; or the government or such other party to a contract granted to us fails to abide by or comply with the contract or to deliver waste as anticipated under the contract; that Congress provides funding for the new remediation projects; receipt of a final permit from the EPA relative to treatment of radioactive PCBs; community reaction to our permit application to treat PCB radioactive waste; and the additional factors referred to under "Special Note Regarding Forward-Looking Statements" of our 2007 Form 10-K/A and the Forward-Looking Statements discussed in our Form 10-Q for the quarters ending March 31, 2008 and June 30, 2008. 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>.

FINANCIAL TABLES FOLLOW

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| (Amounts in Thousands, Except for Per Share Amounts) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|---------------|-------------------|---------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2008 | 2007 | 2008 | 2007 |
| Net revenues | \$15,989 | \$16,306 | \$51,961 | \$48,452 |
| Cost of goods sold | 11,884 | 11,693 | 37,536 | 33,564 |
| Gross profit | 4,105 | 4,613 | 14,425 | 14,888 |
| Selling, general and administrative expenses | 4,711 | 4,691 | 13,818 | 13,493 |
| Asset impairment recovery | (507) | - | (507) | - |
| (Gain) loss on disposal of property and equipment | (2) | (13) | 139 | 99 |
| (Loss) income from operations | (97) | (65) | 975 | 1,296 |
| Other income (expense): | | | | |
| Interest income | 52 | 71 | 170 | 238 |
| Interest expense | (231) | (482) | (917) | (964) |
| Interest expense-financing fees | (14) | (48) | (124) | (143) |
| Other | - | (40) | (5) | (55) |
| (Loss) income from continuing operations before taxes | (290) | (564) | 99 | 372 |
| Income tax (benefit) expense | (14) | (161) | 3 | 23 |
| (Loss) income from continuing operations | (276) | (403) | 96 | 349 |
| Loss from discontinued operations, net of taxes | (159) | (1,549) | (1,218) | (2,163) |
| Gain on disposal of discontinued operations, net of taxes | 94 | - | 2,309 | - |
| Net (loss) income applicable to Common Stockholders | \$ (341) | \$ (1,952) | \$ 1,187 | \$ (1,814) |
| Net (loss) income per common share - basic | | | | |
| Continuing operations | \$ (.01) | \$ (.01) | - | \$.01 |
| Discontinued operations | - | (.03) | (.02) | (.04) |

| | | | | |
|--|---------|---------|--------|---------|
| Disposal of discontinued operations | - | - | .04 | - |
| Net (loss) income per common share | \$(.01) | \$(.04) | \$.02 | \$(.03) |
| Net (loss) income per common share - diluted | | | | |
| Continuing operations | \$(.01) | \$(.01) | - | \$.01 |
| Discontinued operations | - | (.03) | (.02) | (.04) |
| Disposal of discontinued operations | - | - | .04 | - |
| Net (loss) income per common share | \$(.01) | \$(.04) | \$.02 | \$(.03) |
| Number of common shares used in computing net income (loss) per share: | | | | |
| Basic | 53,844 | 52,843 | 53,760 | 52,349 |
| Diluted | 53,844 | 52,843 | 54,149 | 53,673 |

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED BALANCE SHEET

| | September 30, 2008 (Unaudited) | December 31, 2007 |
|--|--------------------------------------|----------------------|
| (Amounts in Thousands, Except for Share Amounts) | | |
| ASSETS | | |
| Current assets: | | |
| Cash & equivalents | \$146 | \$173 |
| Account receivable, net of allowance for doubtful accounts of \$184 and \$203 | 8,541 | 14,961 |
| Unbilled receivables | 11,286 | 10,433 |
| Other current assets | 3,639 | 3,538 |
| Assets of discontinued operations included in current assets, net of allowance for doubtful accounts of \$0 and \$204 | 177 | 3,505 |
| Total current assets | 23,789 | 32,610 |
| Net property and equipment | 48,822 | 49,794 |
| Net Property held for sale | 349 | 349 |
| Property and equipment of discontinued operations, net of accumulated depreciation of \$16 and \$9,292 | 666 | 3,942 |
| Intangibles and other assets | 44,533 | 38,174 |
| Intangible and other assets of discontinued operations | - | 1,179 |
| Total assets | \$118,159 | \$126,048 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | 29,974 | 43,544 |
| Current liabilities related to discontinued operations | 1,356 | 6,220 |
| Total current liabilities | 31,330 | 49,764 |
| Long-term liabilities | 23,007 | 13,454 |
| Long-term liabilities related to discontinued operations | 1,877 | 2,817 |
| Total liabilities | 56,214 | 66,035 |
| Commitments and Contingencies | | |
| Preferred Stock of subsidiary, \$1.00 par value; 1,467,396 shares authorized, 1,284,730 shares issued and outstanding, | | |

| | | |
|--|-----------|-----------|
| liquidation value \$1.00 per share | 1,285 | 1,285 |
| Stockholders' equity: | | |
| Preferred Stock, \$.001 par value; 2,000,000 shares authorized, no shares issued and outstanding | - | - |
| Common Stock, \$.001 par value; 75,000,000 shares authorized, 53,908,700 and 53,704,516 shares issued and outstanding, respectively | 54 | 54 |
| Additional paid-in capital | 97,129 | 96,409 |
| Stock subscription receivable | - | (25) |
| Accumulated deficit | (36,523) | (37,710) |
| Total stockholders' equity | 60,660 | 58,728 |
| Total liabilities and stockholders' equity | \$118,159 | \$126,048 |

SOURCE Perma-Fix Environmental Services, Inc.

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