



Converted Organics Inc. Signs Exclusive Distribution Agreement with Matosantos for Puerto Rico

BOSTON, Mar 26, 2008 (BUSINESS WIRE) -- Converted Organics Inc. (NASDAQ:COIN) announced today that Matosantos Commercial Corporation of San Juan, Puerto Rico has agreed to act as exclusive distributor of Converted Organics Inc.'s all-natural fertilizer products in Puerto Rico. Converted Organics Inc.'s all-natural fertilizers are for use by homeowners, golf courses, resorts and farmers, and will be supplied beginning in the summer of 2008 through the company's first recycling facility, currently under construction in Woodbridge, NJ.

Matosantos Commercial Corporation is a fast-growing, family-owned corporation with over 65 years of experience in marketing and distributing institutional and consumer products in Puerto Rico and the Caribbean. The agreement between Matosantos and Converted Organics Inc. was arranged by Tierra Verde Organic Sales and Development. Converted Organics Inc. will ship and sell their products to Matosantos through Tierra Verde's Delaware office.

"This agreement is a significant milestone in the continued growth of Converted Organics, as the market in Puerto Rico will require and allow for year-round shipment of our natural fertilizer products," said Rich Aleo, Executive Vice President of Sales and Marketing, Converted Organics Inc. "We anticipate servicing the market in Puerto Rico from our New Jersey plant, through Tierra Verde's east coast offices, towards the end of second quarter, 2008. We are very pleased by Matosantos and Tierra Verde's strong support for our products, as well as their commitment to Converted Organics."

"Converted Organics' all-natural fertilizers will be an excellent addition to our product line," said Geronimo Matosantos, Executive Vice President, Matosantos Commercial Corporation. "We are very excited about the products and their potential in the growing fertilizer market in Puerto Rico."

George Herrera, President of Tierra Verde Organic Sales and Development, said in connection with the agreement, "Our business is the distribution of quality products, and Converted Organics' products fit very nicely into that classification. The fertilizer market in Puerto Rico is poised for growth, and Converted Organics' 100% recycled, all-natural products provide the plant nutrition necessary for excellent lawns and gardens, without compromising the environment or endangering children and pets when they play on recently treated lawns."

About Matosantos Commercial Corporation

Matosantos Commercial Corporation is a fast-growing, family-owned corporation dedicated to the marketing and distribution of institutional and consumer products in Puerto Rico and the Caribbean. Established in 1940 as a distributor of paper goods by Manuel Matosantos, today Matosantos Commercial Corporation has developed brands that are market leaders in a wide range of product categories.

About Tierra Verde

Tierra Verde Organic Sales and Development is a sales and marketing minority business enterprise (MBE) with strong, senior level relationships with many of the corporations in North America. It specializes in selling quality products that are environmentally sound to major retail and hospitality companies. George Herrera, President of Tierra Verde, is a former President of the United States Hispanic Chamber of Commerce.

About Converted Organics Inc.

Converted Organics (NASDAQ:COIN), based in Boston, MA, is dedicated to producing valuable all-natural, organic soil amendment or fertilizer products through food waste recycling. The company uses proven, state-of-the-art technologies to create a product that helps grow healthier food and improve environmental quality. Converted Organics plans to sell and distribute its environmentally friendly fertilizer products in the retail, turf management, and agribusiness markets.

Converted Organics' fertilizer products will be produced in both a dry pellet and liquid concentrate. Converted Organics' products have been tested in numerous field trials for more than a dozen crops with the result that, on average, the net value of the farmer's crop increased 11-16%, depending on the particular crop and product application. This is due, in part, to the disease suppression characteristics of the product, which reduce or eliminate the need for other costly, often toxic, crop protection applications. Increased use of nitrogen in commercial agriculture and turf grass applications, such as golf courses, has reduced the soil's ability to absorb nitrogen and other nutrients. Using the products produced by Converted Organics helps

restore the soil by replenishing these micronutrients. This reduces the amount of nitrogen required in a virtuous cycle that benefits from long-term use. As a result, use of the product will reduce chemical run-off to streams, ponds and rivers, an objective with significant long-term benefits to the environment.

The products have a long shelf life compared to many other organic fertilizers. In a number of lab and field trials, the liquid product has been shown to be effective in mitigating powdery mildew, a leaf fungus that effects most plants and grasses and restricts the flow of water and nutrients to the plant. The Company's fertilizer products can be used on a stand-alone basis or in combination with more traditional fertilizers and crop protection products. Converted Organics expects to benefit from increased regulatory focus on organic waste processing and on environmentally friendly growing practices.

This press release contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you may identify forward-looking statements by words such as "may," "should," "plan," "intend," "potential," "continue," "believe," "expect," "predict," "anticipate" and "estimate," the negative of these words or other comparable words. These statements are only predictions. One should not place undue reliance on these forward-looking statements. The forward-looking statements are qualified by their terms and/or important factors, many of which are outside the Company's control, involve a number of risks, uncertainties and other factors that could cause actual results and events to differ materially from the statements made. The forward-looking statements are based on the Company's beliefs, assumptions and expectations of our future performance, taking into account information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, including those events and factors described in "Risk Factors" in the prospectus, not all of which are known to the Company. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of these statements. The Company will update the information in this press release only to the extent required under applicable securities laws. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the aforementioned forward-looking statements.

SOURCE: Converted Organics Inc.

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