



Converted Organics Announces TerraSphere Systems' Entry Into Pharmaceutical Market Through PharmaSphere Subsidiary

Company's Patented Vertical Farming Technology Enables Production of Medicinal Compounds in Any Location World-Wide, With Greater Yields and Reduced Unit Costs

BOSTON, Jul 29, 2010 (GlobeNewswire via COMTEX News Network) -- Converted Organics, Inc. (Nasdaq:COIN) today announced that TerraSphere Systems, LLC, a leader in the vertical farming market, has established PharmaSphere Systems, LLC as a biotechnology company that will produce and market high-value, plant-based compounds to the pharmaceutical, nutraceutical, and cosmeceutical markets, through the use of TerraSphere's vertical farming technology.

PharmaSphere was established to broaden the range of applications of TerraSphere's vertical farming technology to include the production of medicinal compounds in addition to food crops. PharmaSphere's medicinal compounds will be produced in an indoor, contamination-free growth facility, similar to the facilities currently used by TerraSphere licensees for the production of fruits and vegetables. Plants are housed in vertically stacked growth modules, which are placed next to a perpendicular light source to grow plants without the use of pesticides or other chemicals. The controlled indoor system allows for the production of compounds at any time of the year and in any location, regardless of climate, enabling increased production and reduced-unit cost when compared to traditional production measures. These factors will have significant and positive health implications world-wide, especially in the many regions that have difficulty growing or accessing certain medicinal substances.

PharmaSphere has achieved great success in growth trials cultivating plants used in chemotherapy, anti-malarial treatments, and insulin therapy for diabetes. The unique benefits of PharmaSphere's technology and its contamination-free design helps to position the Company to enter the competitive pharmaceutical market with a distinct advantage and to better facilitate treatment of prominent diseases on a global scale.

"With the increase in contamination in sourcing Approved Pharmaceutical Ingredients (APIs), the PharmaSphere process will allow for a pesticide and contaminant-free source material that can be monitored and traced in a manner that is not possible in field grown production. TerraSphere's vertical farming technology allows for crucial medicinal compounds to be produced on-demand, in scalable amounts, and in places where the greatest need exists. This will significantly reduce the cost of production and transportation, and will aid in the treatment and prevention of prominent disease. We believe that the positive implications of this technology are far reaching and have the potential to meaningfully impact the way in which pharmaceutical and medicinal compounds are produced," said David Darlington, CEO of PharmaSphere Systems, LLC.

PharmaSphere is a wholly owned subsidiary of TerraSphere Systems, LLC. On July 7, 2010, Converted Organics Inc., a Boston based company, entered into an agreement to acquire TerraSphere. This acquisition is expected to close in September 2010, pending approval of Converted Organics' shareholders. The transaction is expected to strengthen the green-business portfolio and collective market-strength of Converted Organics, while giving PharmaSphere access to greater resources as a subsidiary of a publicly-traded company.

About PharmaSphere Systems, LLC

PharmaSphere Systems, LLC is a biotechnology company that owns a perpetual worldwide license to utilize TerraSphere Systems technology to produce high-value, plant-based biocompounds for pharmaceutical, cosmeceutical and nutraceutical markets. Using the TerraSphere System allows PharmaSphere to achieve full environmental containment and controlled growth conditions, which result in increased production and reduced per-unit costs compared to traditional production methods. The use of the TerraSphere growth system also gives PharmaSphere Systems, LLC a market advantage through the unprecedented level of control and trace capabilities.

About TerraSphere Systems, LLC

TerraSphere Systems (www.terraspheresystems.com) is dedicated to building highly efficient systems for growing pesticide-free fruits and vegetables in a controlled indoor environment. TerraSphere's clean technology helps to promote the sustainable consumption of natural resources by accelerating plant production and maximizing crop yields, while improving environmental footprints through the reduction of carbon emissions and fuel use associated with traditional crop production and distribution.

TerraSphere's unique, environmentally and socially-responsible business model helps to facilitate job creation and diverse, community-based workforces. TerraSphere believes its technology can potentially revolutionize access to organic produce for both remote and urban communities, alleviate land management issues for agricultural producers, and ease hunger crises for the world's growing population.

About Converted Organics Inc.:

Converted Organics (Nasdaq:COIN) (www.convertedorganics.com), based in Boston, MA, is dedicated to producing high-quality, all-natural, organic soil amendment and fertilizer products through food waste recycling. The Company uses its proprietary High Temperature Liquid Composting (HTLC) system, a proven, state-of-the-art microbial digestion technology, to process various biodegradable food wastes into dry pellet and liquid concentrate organic fertilizers that help grow healthier food and improve environmental quality. Converted Organics sells and distributes its environmentally-friendly fertilizer products in the retail, professional turf management, and agribusiness markets.

The Converted Organics Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=7431>

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, not all of which are known to the company, described most recently in the "Risk Factors" section in the Company's most recently filed annual report on Form 10-K. 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.

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