



Converted Organics Announces That TerraSphere Systems has Signed Research Agreement With USDA to Study Year-Round Strawberry Growth

Research Study Could Help Increase Global Availability of Popular Fruit Variety

BOSTON, Jul 26, 2010 (GlobeNewswire via COMTEX News Network) -- Converted Organics, Inc. (Nasdaq:COIN) today announced that TerraSphere Systems, LLC has entered into a Cooperative Research and Development Agreement with the USDA's Agricultural Research Service (ARS) for the production of strawberry transplants using controlled environment fruit production systems. The study will utilize TerraSphere's proprietary vertical farming system in conjunction with the innovative strawberry transplant technology developed by ARS, and will focus on expanding the cultivation and availability of strawberries outside of the fruit's typical one to two-month growing season.

The objective of the collaboration is to evaluate the long-term performance of strawberry transplants under the growth conditions of TerraSphere's vertical farming system, and to develop methods to build and maintain the hardiness of strawberry plants within a controlled environment. If the study is successful, the combination of ARS' novel strawberry transplant production technology and the optimal growing conditions of TerraSphere's controlled environment would create the first commercially viable solution for year-round strawberry growing. Once deployed on a commercial scale, it is expected that these new growing methods would increase worldwide strawberry output, reducing prices and enabling the agriculture industry to more effectively meet year-round consumer demand.

Despite the popularity of strawberries, growth and seasonal availability is limited due to the narrow environmental conditions in which the fruit can be grown. TerraSphere's patented design utilizes an indoor system, known as vertical farming, to grow pesticide-free fresh fruits and vegetables on a year-round basis, irrespective of location, external climate or other environmental factors. ARS has developed a transplant propagation technique that increases out-of-season flowering capacity for several strawberry varieties by [as much as] 400 percent.

"Together with the USDA'S Agricultural Research Service, TerraSphere can help revolutionize the way in which one of the world's most popular fruits is grown, significantly increasing the availability of pesticide-free strawberries world-wide, year-round," said Mark Gildea, CEO of TerraSphere Systems. "We believe that the implications of this study could have a significant impact on global agriculture, particularly with crops that have limited growing seasons, and look forward to working with the ARS toward this goal."

The study is scheduled to commence in September 2010, when the first set of strawberry transplants will be established within TerraSphere's growing system. In the spring of 2011, crops will be evaluated for reproductive development traits, including the emergence of flower clusters and flower size. Fruits will be harvested and weighed for size, and studied for symmetry. Plants will be evaluated periodically for hardiness characteristics such as leaf number, crown number, and leaf size.

On July 7, 2010, TerraSphere Systems entered into an agreement to be acquired by Converted Organics Inc. (Nasdaq:COIN). This transaction is expected to close in September 2010, subject to the approval of Converted Organics' shareholders.

About Terrasphere Systems, LLC

TerraSphere Systems (www.terraspheresystems.com) is dedicated to building highly efficient systems for growing organic 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) 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. Forward-looking statements include the ongoing customer demand for the Company's products and the Company's ability to continue to become more efficient in its operations. 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 the "Risk Factors" section in the Company's most recently filed annual report on Form 10-K, as updated in the Company's quarterly reports on Form 10-Q filed since the annual report, 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.

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