



Converted Organics Inc. Announces Delivery of First Self-Contained Organic Waste Recycling Unit

State Prison Represents Alternative Market Opportunity for Novel Technology

BOSTON, Feb 08, 2008 (BUSINESS WIRE) -- Converted Organics Inc. (NASDAQ:COIN) announced today that the company's first fully automated, free-standing, organic waste recycling system was delivered to Folsom State Prison, near Sacramento, CA. The unit was designed and developed by Peter Townsley and Philip Townsley of Waste Recovery Industries, Paso Robles, CA. The unit utilizes the proprietary High Temperature Liquid Composting (HTLC(R)) process that Converted Organics acquired from Waste Recovery Industries and that it employs at its state-of-the-art organic waste recycling facilities to convert various biodegradable waste products into high-quality, organic-based fertilizer. Folsom State Prison, in cooperation with Prison Industry Authority and the California Integrated Waste Management Board, will utilize the unit to process their food waste materials into a high quality organic fertilizer product, thus achieving a state-mandated goal of 50 percent waste diversion and recycling.

"The use of this unit by Folsom State Prison represents the first of many new market opportunities for Converted Organics' unique, self-contained organic waste recycling system," said Peter Townsley, Executive Vice-President and Chief Technology Officer of Converted Organics Inc. "The fully-automated unit, which was originally designed for applications such as hotels and small island resorts, is capable of accepting and processing several tons of organic waste per day. The unit runs 24 hours per day, seven days per week and can be monitored remotely for operating efficiency."

"The HTLC technology is an integral part of Converted Organics' future growth, and we intend to aggressively pursue opportunities in markets that can benefit from on-site organic waste recycling systems, such as prisons, universities, and medical centers," said Edward J. Gildea, President and CEO of Converted Organics Inc.

The HTLC system is a proven, state-of-the-art microbial digestion technology that has been successfully producing high-quality commercial products for more than ten years. Converted Organics became the exclusive owner of the HTLC system last month when it acquired Waste Recovery Industries, a company specializing in the design, manufacture and installation of advanced microbiological processes for solving organic waste disposal problems.

About Converted Organics Inc.

Converted Organics (NASDAQ:COIN), based in Boston, MA, is a development stage company 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 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.

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