



Sault Ste. Marie Strikes Oil

Up to 240,000 Gallons a Year to be Recovered at High-Tech Tire Recycling Facility

TORONTO (October 12, 2010) – An advanced technology at a plant under construction in Sault Ste. Marie will extract oil from used tires, along with other valuable by-products, when it becomes operational early next year.

The showcase facility will be using a proprietary technology developed by Environmental Waste International Inc. (stock symbol EWS on the TSX Venture Exchange). Its patented microwave delivery system breaks down the tires at the molecular level, reducing them to their simplest forms – oil, carbon black, steel and hydrocarbon gases.

Running at a planned recycling rate of about 300,000 tires a year, the plant would produce some 240,000 U.S. gallons of oil, 2 million pounds of carbon black, and 600,000 pounds of steel annually. Off-gases produced by the system will be used to co-generate electricity that allows the system to be energy self-sufficient.

Reverse Polymerization™, the patented EWS technology used in this system, is the most advanced process of its kind in the world. Since it does not melt tires, but rather breaks apart the molecular bonds, virtually 100-percent of the tires' by-products are reclaimed.

Stephen Simms, President and CEO of EWS, says the facility in the Sault will be the first large-scale pilot plant of the tire application. "There's a tremendous amount of interest in our process," he notes, "with many potential purchasers eager to see the system up and running."

Securing raw materials for the plant is already under way. Approximately 12 million used tires are generated in Ontario each year. In fact, under the Ontario Tire Stewardship program, a fee is paid for every tire processed through the plant.

Ellsin Environmental Ltd., the owner of the Sault facility, contracted EWS to design and build the prototype equipment for the plant which will have a total cost in excess of \$6 million. EWS will build all future Ellsin systems and receive a royalty for each tire processed.

Ellsin, partially owned by EWS, has the sales and marketing rights to the technology for passenger tires in Canada and the U.S. EWS retains the rights to the used truck tire market in these two countries, and to the entire used tire market in the rest of the world.

Simms points out that some 300 million used tires are generated each year in North America, and another 600 million annually in other parts of the world. He says the company's goal is to capture about 30 per cent of the global market over the next decade.

The prototype EWS system being installed in the Sault is the TR-900. Models to be sold in the future will be larger. For example, the TR-6000 – the largest unit that EWS currently has on the drawing board – is designed to process 2 million used tires a year and costs about \$30 million.

Each TR-6000 will be capable of reclaiming over 1.6 million gallons of oil, about 6,500 tonnes of carbon black, and 1,800 tonnes of steel a year. Carbon black is used as a pigment and reinforcement in rubber and plastic products.

The Northern Ontario Heritage Fund Corporation (NOHFC) has loaned \$2 million to Ellsin to help fund the Sault project. Operations are expected to begin in the first quarter of 2011.

In North America, used tires are currently ground up and used in such applications as carpet under-padding or road re-surfacing, burned in cement kilns and other energy generating facilities, or they are sent to landfill. Since the EWS technology is capable of recovering and recycling valuable by-products from used tires, it is a far superior method of disposal.

“Our technology squeezes every bit of recyclable product out of a tire, and does so without sending any hazardous emissions up a smokestack or residual waste to landfill,” Simms explains.

The main component of the system, which houses the microwave equipment, has now been completed by contract manufacturer Abuma Manufacturing Ltd. of London, Ontario, and will be transported to the Sault over the next few weeks.

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For further information please contact:

**Robert Stephens
PR POST
416-777-0368
robert@prpost.ca**