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Amiad Filtration Systems and Arkal Filtration Systems Announce Merger as of April 29, 2010

The Company expects to become a major player in the global filtration industry offering a variety of advanced technological solutions with a worldwide presence led by a strong and committed team. The enlarged group will have a greatly expanded product portfolio which will offer a wide range of innovative water filtration systems and solutions.

At the moment all Amiad & Arkal activities including those of their subsidiaries such as PEP, will remain as they were prior to the merger. We will go through a very well planned PMI (Post Merge Integration) process for a well organized merger in order to ensure that the needs of customers and partners are met. In due time, we will communicate in advance additional relevant information.

Tom Akehurst
 President