Perma-Fix Enters Agreement with Italian National Agency for New Technologies, Energy and Sustainable Economic Development

Wrocław – January XX, 2017 – Perma-Fix Medical S.A. (WAR: PFM) today announced an agreement to collaborate with the Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA) to advance and commercialize its new process to produce Technetium-99 (Tc-99m), the most widely used medical isotope in the world.

The agreement was signed by Federico Testa, ENEA Commissioner, and Dr. Louis Centofanti, Chairman of Perma-Fix Medical, in the presence of members of the US Embassy, the Higher Institute of Health and the Ministries of Economic Development, Foreign Affairs and International Cooperation.

Under the agreement, the parties will work to advance the production of Tc-99m, utilizing the TRIGA RC-1 research reactor, made available by ENEA, together with Perma-Fix's patented process, in order to address the global need for a safer, more reliable, more cost-effective and uranium-free Tc-99m production process. Following irradiation of materials in the TRIGA RC-1 research reactor, technetium generators will be supplied to nuclear medicine centers across Italy. It is anticipated that the quantities of medical isotopes produced by TRIGA in the Casaccia ENEA Center will be sufficient to supply a large percentage of the national requirements for Tc-99m.

Dr. Louis F. Centofanti, Chairman of Perma-Fix Medical, commented, "We are excited to partner with ENEA, which brings extensive knowledge, expertise and resources, including the TRIGA-RC-1 research reactor. The aim of this partnership is to help Italy establish its own supply and domestic production of Tc-99m. Today, nearly all of the world's supply of Tc-99m comes from the thermal fission of enriched uranium targets in a small number of highly specialized reactors. The current process is costly and has proven an unreliable source of radioactive material leading to severe worldwide shortages. Unlike conventional processes, ours allows for local production, using standard research and commercial reactors, thereby eliminating the need for special purpose reactors. The new process encompasses the full production cycle, from reactor to final medical supply, and can be easily deployed around the world. We believe Perma-Fix's process is ideally suited for the Italian market and we are excited to help advance this process."

ENEA Commissioner Federico Testa, commented, "With this agreement, ENEA plans to put at the service of the Country, those skills and resources developed in the nuclear sector since the 1950s, into new areas such as health care. The goal is to build a unique center of excellence in Italy, including the study of radioisotopes and the production of next generation radiopharmaceuticals, which is of particular interest at the national and international levels."

By way of background, Tc-99m is used in 80-85% of the 25 million diagnostic nuclear medical procedures each year in the U.S. alone, and allows medical practitioners to image internal body organs. Common procedures include: cardiac imaging; cancer detection bone scans; gastrointestinal issues; and imaging of the brain, kidney, spleen and infections.

To overcome past issues with neutron activation of Molybdenum, Perma-Fix has developed a

specialized resin that is radiation resistant and holds large quantities of Molybdenum, but at the same time releases almost 90% of the Tc-99m as it forms from the decay of Mo-99. The resin, loaded with the activated Mo-99, is placed in a Technetium generator and slowly washed with a saline solution. The eluent solution containing Tc-99m meets USP and EUP standards for Technetium.

About Perma-Fix Medical

Perma-Fix Medical S.A. was formed to develop, obtain FDA and other regulatory approval and commercialize a new process to produce Technetium-99 (Tc-99m), the most widely used medical isotope in the world. The new process is expected to solve worldwide shortages of Tc-99m as it is less expensive, does not require the use of government-subsidized, weapons-grade materials and can be easily deployed around the world using standard research and commercial reactors, thereby eliminating the need for special purpose reactors. Please visit us on the World Wide Web at http://www.medical-isotope.com.

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