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**FOR IMMEDIATE RELEASE:  
PLASCO ENERGY GROUP COMPLETES \$18 MILLION EQUITY FUNDING**

Ottawa, September 19, 2006 - Plasco Energy Group Inc. (Plasco or The Company) today announced that it has completed an issue of common shares for total gross proceeds of \$18 million. Dundee Securities Corporation was the sole underwriter for this issue. This equity round follows the August 2005 issue of common shares, which raised \$7.3 million.

The August 2005 financing was completed with Killick Capital of St. John's, NL as the lead investor joined by HERA Holdings S.A of Barcelona, Spain and The Rose Corporation of Toronto. These investors and SC Stormont Holdings Inc. of Ottawa collectively invested \$5 million of the \$18 million raised in the current round of funding. The remaining capital was funded by: RAB Capital of London, England, Black River Asset Management of Minneapolis, Minn., and Galtere International of New York.

Plasco, a Canadian private corporation based in Ottawa, has developed proprietary technologies for the conversion of Municipal Solid Waste (MSW) to a designed synthetic gas for the operation of internal combustion engines to produce electricity. From each typical tonne of North American MSW processed, Plasco's system produces 1.5 megawatt hours (Mwh) of electricity - 0.3 Mwh of which is utilized operating the facility, providing 1.2 Mwh for sale. Plasco plants processing 200 tonnes per day or more will use combined cycle to generate additional power from heat from the process and the engines. When combined cycle generation is used, saleable electricity output is increased to 1.4 Mwh per tonne of waste processed.

Plasco's proprietary technology utilizes a sealed system that produces no air emissions in the conversion of the MSW to synthetic gas. Air quality from the engines significantly exceeds the regulatory requirements for Ontario, other Canadian provinces, the US and the EU. In addition to synthetic gas, Plasco technology also produces a solid glass-like material, useful in production of concrete, asphalt and other industrial products. Gas cleaning systems remove particulate matter, including heavy metals before the gas enters the engines. About 100 grams of this particulate matter is collected for disposal per tonne of waste processed.

Plasco is in the process of completing a full scale, 85 tonnes per day commercial demonstration facility in Ottawa. This facility will process MSW, supplied by the City of Ottawa. The completed facility will be an integrated conversion system that utilizes a number of sub-systems produced to Plasco's specifications by world-leading manufacturers. These sub-systems are then integrated onsite at the Ottawa facility, where engines will produce electricity from the synthetic gas.

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Sustainable Development Technology Canada (SDTC) – a foundation created by the Government of Canada – has approved a \$6.6 million contribution to the Plasco Trail Road demonstration facility. A ground breaking ceremony was held today at the Trail Road site to mark commencement of onsite work.

The Plasco energy from waste facility is expected to commence operation during the first quarter of 2007.

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About Plasco Energy Group

Plasco Energy Group Inc. (Plasco) is a privately held Canadian company that has operated in Ottawa since 1974. Plasco and its predecessor company, RCL Plasma, Inc., have operated plasma based processing facilities in Ottawa and Spain for more than a decade. The Plasco Trail Road facility applies potential technologies in a sealed system to produce synthetic gas from municipal solid waste while releasing no emissions to the atmosphere. Engines driven by the Plasco product gas produce more than 1 megawatt hour of electricity for each tonne of waste processed and exhaust from these engines meets or exceeds Ontario, U.S. and European standards.

For more information contact:

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