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U.S. Air Force awards PyroGenesis 18-month waste-toenergy operating contract

MONTREAL, Jan. 24, 2012 /CNW/ - PyroGenesis Canada Inc. ("PyroGenesis" or the "Company") (TSX-V: PYR), an environmental solutions company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch products, announced today that the U.S. Air Force 1st Special Operations Civil Engineering Squadron (1 SOCES) entered into an 18-month contract with PyroGenesis to operate, maintain and collect operations data on its Plasma Resource Recovery System (PRRS) at the Air Force's base in Hurlburt Field, Florida.

PyroGenesis designed and manufactured the PRRS, which uses plasma to convert waste to energy and usable products. The system began operational testing at the Florida Air Force base late last year.

The contract includes three sequential option periods. The first period of performance began on October 1, 2011 and is seven months in length. The second option period is five months; and the third option period is for six months. The total value of the contact is approximately \$2.73 million.

"This follow-on contract will help us to further validate our plasma technology in a commercial, land-based setting," said P. Peter Pascali, President and Chief Executive Officer of PyroGenesis. "The Air Force required technology that could take unsorted waste directly from the garbage truck and be able to safely and efficiently transform it into useful products. Our ability to deliver environmentally friendly solutions that work along with our experience to provide comprehensive operations and maintenance plans will ensure the long term success and continued operation of this facility. With our expertise in plasma-based waste-to-energy systems, we feel we will exceed the Air Force's expectations."

The 10.5-ton per day facility at the Air Force's base in Florida is a state-of the-art waste management and energy production system that is designed to convert solid wastes into energy and reusable by-products. Specifically, it combines the advanced processes of plasma gasification and vitrification into one system to further break down solid waste into molecular components for use as a fuel to an internal combustion engine to produce electricity. The objective will be to operate the PRRS system 24 hours a day, seven days a week in a continuous, cost-effective and efficient manner.

The Company believes the technology at the Hurlburt Field, Florida site is the only operating commercial plasma gasification facility in North America that has successfully demonstrated the ability to convert unsorted municipal solid waste into electricity.

About PyroGenesis Canada Inc.

PyroGenesis Canada is an environmental solutions company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch products. PyroGenesis' proprietary plasma technologies utilize the intense energy of plasma to gasify and vitrify virtually any type of waste without producing hazardous by-products. PyroGenesis' patented gasification and vitrification technology is different from incineration because it produces a clean synthetic gas from waste, which can be used for power generation. PyroGenesis' technology can also turn waste into a glassy rock that can be utilized as construction material. PyroGenesis has marquee defense industry and civilian customers that are using its technology in marine and land-based applications. For more information, please visit www.pyrogenesis.com

This press release contains certain forward-looking statements, including, without limitation, statements containing the words "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "in the process" and other similar expressions which constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements reflect the Company's current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These forward-looking statements involve risks and uncertainties including, but not limited to, our expectations regarding the acceptance of our products by the market, our strategy to develop new products and enhance the capabilities of existing products, our strategy with respect to research and development, the impact of competitive products and pricing, new product development, and uncertainties related to the regulatory approval process. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks and uncertainties and other risks detailed

ORGANIZATION PROFILE PYROGENESIS CANADA INC. PPYROGENESIS www.pyrogenesis.com Montreal, Quebec PyroGenesis Canada is an environmental solutions company that designs, develops and manufactures plasma waste-toenergy systems and plasma torch products. PyroGenesis' proprietary plasma technologies utilize the intense energy of plasma to gasify and vitrify virtually any type of waste without producing hazardous by-products. PyroGenesis' patented gasification and vitrification technology is different .. More on this organization Market Performance PYR:TorontoVE PYR:CA 0.85 0.00 Intraday Price - PYR:CA 1.00 0.900 0.700 10am 12pm January 23, 2012 Today 5d 1m Detailed Chart..

at www.sedar.com. Actual results, events, and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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