



June 20, 2005

Dear Perma-Fix Employee:

Perma-Fix has enlisted an outside service to maintain its toll free integrity hotline (Values Line), which is our toll free reporting line designed to encourage everyone associated with the company -- employees, officers, and directors -- to follow all applicable laws, rules, and regulations, and to abide by ethical business and accounting conduct in their daily work routines.

A key element of our compliance effort involves the Values Line, which is a confidential toll free hotline, run by an outside vendor. The Values Line is a resource for any Perma-Fix employee to call with concerns, allegations, or even questions about improper, illegal, or unethical conduct or accounting activities. Callers can give their names or remain anonymous if they wish and all contacts will be followed up promptly with an appropriate response. The enclosed brochure describes the program and provides the toll free telephone number to call. In addition, we have developed a poster which will be displayed in common areas at all Perma-Fix locations, and will also have information about this new function and the number to call.

The Values Line is part of our effort to encourage everyone at Perma-Fix to do the right thing and to help bring to the attention of management situations in which certain conduct must be addressed. It is only through the efforts of each one of us that compliance at Perma-Fix can be assured.

Sincerely,

A handwritten signature in cursive script, reading "Louis Centofanti".

Dr. Louis F. Centofanti
Chief Executive Officer