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TSX Symbol: **ORI**

NEWS RELEASE

Organic Resource Signs 20 year, Exclusive Feedstock Supply Agreement with Anaerobic Digester

Woodbridge, Ontario – July 25, 2007. Organic Resource Management Inc. (“ORMI”) today announced that it has signed an exclusive, 20-year contract to supply organic residuals as feedstock to the Klaesi farm-based Anaerobic Digester (“AD”) in Cobden Ontario for the production of renewable biogas energy. As previously reported, the AD has obtained all necessary permits, including the Ontario Ministry of Environment (“MOE”) Certificate of Approval for the use of off-farm organic residuals as feedstock to an on-farm AD. This will be the first Ontario farm AD to receive off-farm organic residuals. ORMI expects to begin delivering feedstock to the AD within the next few weeks.

The delivery cost (“Tip Fee”) that ORMI will pay is less than current recycling alternatives. However, the first stage of the two-stage contract is only for a minimum of 700 tonnes per year of ORMI residuals, and therefore will not have a material financial impact. Stage two of the Contract provides an option to the AD until June 30, 2009, to expand the contracted volume upward to a maximum of 5,000 tonnes per year.

ORMI’s off-farm feedstock is expected to generate significantly more biogas than any on-farm feedstock. Because the exact amount of energy ORMI’s feedstock will produce is still uncertain, the contract Tip Fee will be adjusted based on the amount of biogas produced, and ultimately during the term of the contract could result in ORMI earning a rebate instead of paying a Tip Fee.

ORMI believes this contract and the associated MOE Certificate of Approval are fundamental accomplishments to achieving the Ontario Ministry of Energy’s goal of developing renewable energy from biogas on Ontario farms. Using high-energy-potential off-farm organic residuals in Ontario farm-based ADs mirrors successful and long established European practices.

“We have researched the European success stories extensively,” states Charles Buehler, ORMI President and CEO, “and are now poised to facilitate the duplication of those practices on multiple farms in Ontario.”

The AD is integrated into a 140 milking-cow dairy farm owned and operated by Paul and Fritz Klaesi at Cobden, Ontario. The brothers are the recipients of the first Minister’s Award for Agri-Food Innovation Excellence given out by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). At four years, theirs is the longest operating farm AD in Ontario in recent history.

The Klaesi AD is unique in that it is the smallest of its kind in Canada, and demonstrates that ADs can be feasible at a typical farm. Their AD currently digests only manure from their dairy herd and produces enough biogas to run a 50 kW generator. The biogas energy powers all the farm production processes, buildings and two residences, making the entire complex self sufficient with respect to electricity, hot water and winter heating requirements. In addition, a small surplus of electricity is fed into the Hydro One distribution grid under the Ontario Power Authority’s (OPA) net metering program.

In the first stage of the contract, Klaesi farms will add a Canadian produced European style 100 kW containerized generator-set. ORMI's off-farm feedstock will provide all the additional biogas required to power this expansion. The second stage would significantly expand the existing digester capacity and replace the two small generator-sets with one much larger (~500) kW unit. The additional biogas needed to power this expansion phase will be supplied by a combination of energy crops (corn silage) and additional amounts of ORMI's off-farm feedstock.

There is no plan to sell electricity back to the grid under the OPA's Standard Offer Program during the first stage of the contract, because the cost of grid connection is prohibitive for such a small generation unit. The manure available on a farm this size combined with corn silage alone does not produce enough biogas energy to be economically viable. The addition of ORMI's high-energy-potential off-farm feedstock makes the second stage economically viable and therefore would result in the sale of a significant volume of electricity (~400 kW) to the grid.

"This energy generation partnership with ORMI is the essential component allowing us to establish our farm as an economically sustainable contributor to Ontario's renewable energy future," Paul Klaesi stated, "This long term contract secures welcome additional farm income from the energy generated by recycling the feedstock ORMI harvests from its urban customer base."

Klaesi Farms and ORMI will also participate in an economic and environmental assessment of anaerobic digestion funded by Agriculture and Agri-Food Canada's (AAFC) Environmental Technology Assessment Program (ETAA) program. Natural Resources Canada (NRCan) is also providing financial support to conduct R&D at the site through the Technology Innovation Program in partnership with OMAFRA. The overall R&D goal is to test the digestion of off-farm feedstocks and to measure their effects on biogas production.

"Although the initial phase of this contract will not immediately generate a material impact on ORMI's cost of recycling organic residuals, it does mark the dawn of a new era for our company in Ontario," Buehler stated, "We are very pleased to be working with such innovative people as Paul and Fritz Klaesi"

This press release is available on the Company's official on-line investor relations site for investor commentary, feedback and questions. Investors are asked to visit the investor relations section of the Company's website at http://www.ormi.com/ORMI_Investor.asp. Alternatively, investors are asked to e-mail all questions and correspondence to info@ormi.com where they can also request addition to the Organic Resource investor e-mail list to receive all future press releases and updates directly.

About Organic Resource Management Inc.

Organic Resource is Canada's largest provider of vacuum truck services for the collection, treatment and disposal of organic and other non-hazardous liquid waste. ORMI services in excess of 8,000 commercial, industrial, institutional and residential customers in Ontario, Quebec, and British Columbia. Further information about ORMI may be obtained at the Company's web site at www.ormi.com.

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