

National Challenge Systems Inc.

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March 27, 2006

TSX Symbol: **NLC**

NEWS RELEASE

ONTARIO'S RENEWABLE ENERGY POLICY PROVIDES NEW OPPORTUNITIES FOR NCS

Following the March 21, 2006 decision by the Government of Ontario to introduce a Standard Offer Program (SOP) that fixes 20-year prices for renewable energy, National Challenge Systems Inc. (NCS) has initiated contractual discussions with selected developers of anaerobic digester projects (AD's). These projects would produce biogas energy that qualifies under the SOP. The Company anticipates AD's will also enable it to secure new long-term, lower-cost recycling solutions for NCS organic residuals.

A key goal of the SOP is to make anaerobic digestion for biogas energy production financially viable in Ontario. AD converts raw organic materials such as agricultural and other food-related residuals into reliable streams of biogas for electricity generation, thus creating a sustainable renewable energy supply. The reliability and cost effectiveness of AD's provides the market stability needed to foster the creation of a renewable energy industry in Ontario.

The Company's large supply of high-content fats, oils and greases (FOG) liquid organics significantly boost AD biogas production when combined with other organics such as farm manures. As a result, the Company's FOG residuals will be transformed into a valuable feedstock for renewable energy production, making NCS a preferred partner among Ontario AD project developers.

Moreover, AD's offer NCS a secure and long-term recycling solution for large volumes of FOG, thereby adding much needed organics recycling capacity in Ontario. This new capacity will enable the Company to accelerate market and revenue growth by providing reliable collection services in Ontario to a wider geographic area, as well as to customers with large organic residual streams that have not been serviced previously due to a lack of recycling capacity.

"We are pleased the market for renewable biogas energy has been launched in Ontario," said NCS Chief Executive Officer Charles Buehler, "and we look forward to creating commercial relationships with farm AD projects in which reliable long-term deliveries of our organic residuals significantly increase biogas production to make electricity."

NCS is well positioned to expand the commercial value of its operations as AD biogas facilities are launched in Ontario. While government regulations are still required to manage the practical implementation of AD facilities, NCS believes the Province has made a decisive first step and is committed to making this sector viable.

Comments made by Hon. Leona Dombrowsky, Minister of Agriculture, Food and Rural Affairs, at the recent Integrated Solutions to Manure Management (ISTMM) conference in London, Ontario, demonstrate the Government's vision. The Minister said, "So what might the future look like? Farmers are equipped to step up on handling society's by-products and to use them as inputs into energy systems such as anaerobic digesters...We can move toward a time when any food-based material not consumed by humans gets recaptured for energy production, and for carbon and nutrient re-use on the farm."

NCS believes the significant attendance of Ontario farmers and potential AD developers at the ISTMM conference demonstrates the high level of interest in AD project development. The Company expects a number of Ontario AD projects will be initiated in 2006 and seeks to be a leader in collecting and delivering high-energy organics to the Ontario biogas sector as it emerges during the next several months.

NCS has posted on the Company's website an outline of how anaerobic digestion relates to its business, as well as the presentation made by the Company at the recent ISTMM conference.

About National Challenge Systems Inc.

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

WARNING: The Company relies upon litigation protection for "forward-looking" statements.

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