



7720 North Lehigh Avenue
Niles, Illinois 60714-3491

Phone (847) 966-1000
Fax (847) 966-8563

PRESS RELEASE

For Immediate Release

Company: MFRI, Inc.
Contact: David Unger, Chairman

MFRI ANNOUNCES COMPLETION OF ITS COMMON STOCK OFFERING

Niles, IL, February 7, 2007 -- MFRI, Inc. (NASDAQ: MFRI) announced today that it has completed the sale of approximately 1,000,000 shares of common stock at a price of \$18.50 per share. The shares were registered pursuant to the Company's existing shelf registration statement. The Company expects to use the net proceeds from the sale of the shares for general business purposes.

Lane Capital Markets, LLC acted as a placement agent for the offering.

Statements and other information contained in this announcement which can be identified by the use of forward-looking terminology such as "anticipate," "may," "will," "expect," "continue," "remain," "intend," "aim," "should," "prospects," "could," "future," "potential," believes," "plans," "likely," and "probable," or the negative thereof or other variations thereon or comparable terminology, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 as amended and are subject to the safe harbors created thereby. These statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties include, but are not limited to, economic conditions, market demand and pricing, competitive and cost factors, raw material availability and prices, global interest rates, currency exchange rates, labor relations and other risk factors.

MFRI, Inc., headquartered in Niles, Illinois, is a manufacturer of custom-designed industrial filtration products, specialty piping and leak detection systems and industrial process cooling equipment. For more company information visit the MFRI, Inc. website at <http://www.mfri.com>.
