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MFRI COMPLETES ACQUISITION OF 100% OWNERSHIP OF BAYOU PERMA-PIPE CANADA

NILES, IL, February8, 2016 -- MFRI, Inc. (NASDAQ: MFRI) today announced that it has completed its previously announced acquisition of 100% ownership of Bayou Perma-Pipe Canada (BPPC), a coating and insulation company in Alberta, Canada. BPPC has been renamed Perma-Pipe Canada.

CEO Bradley Mautner commented "The transaction is part of a series of steps MFRI has been taking to adjust our business portfolio towards our piping segment. Gaining full control of the former joint venture also represents an opportunity to diversify Perma-Pipe's operations in North America, expand our insulation business and using the Canadian plant, more competitively serve the district heating and cooling market in the Northwestern United States. We are excited to continue working with the excellent team in Canada as we expand our business."

Perma-Pipe had owned a 49% interest in BPPC since 2009, when it formed a joint venture with Aegion Corporation to serve the oil and gas industry in Western Canada.

The purchase price was $9.6 million.

MFRI, Inc.
MFRI, Inc. is a global leader in pre-insulated piping and leak detection systems for oil and gas gathering, district heating and cooling, and other applications. It uses its extensive engineering and fabrication expertise to develop piping solutions that solve complex challenges regarding the safe and efficient transportation of many types of liquids. In total, MFRI has operations at eight locations in five countries.

Forward-Looking Statements
Statements and other information contained in this announcement that can be identified by the use of forward-looking 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, including, without limitation, statements regarding the expected future performance and operations of the Company. 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, the project nature of the business, the increasing international nature of the business, 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.