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MFRI Announces Board Approval to Rename and Rebrand the Company Under the Perma-Pipe Name

Industry leader MFRI also announces organizational changes to its executive management team and the addition of David Mansfield to its board

NILES, IL, February 2, 2017 -- MFRI, Inc. (NASDAQ: MFRI) announced today that the board of directors has authorized Company management to move forward with the re-naming and re-branding of MFRI under the Perma-Pipe name. In addition, David J. Mansfield, president and chief executive officer of MFRI, has been named president of Perma-Pipe, replacing Fati A. Elgendy, who retired effective January 31, 2017, but remains a consultant to the Company. MFRI also announced that Mr. Mansfield has been appointed to the Company's board of directors.

Chairman of the Board David S. Barrie commented, "Now that the Company operates in a single business segment under the Perma-Pipe brand, it is in the best interests of the Company and its shareholders to rebrand MFRI with the Perma-Pipe name. This decision will better serve the Company's strategy and position it well in the industry and global market. We will announce the Company name, as well as a new ticker symbol, in the coming months. In the meantime, as part of our ongoing efforts to reduce costs and improve efficiencies, Mr. Mansfield will take on the leadership responsibilities of both the MFRI and Perma-Pipe executive roles."

President and CEO David Mansfield remarked, "Following MFRI's recent exit from the filter businesses, renaming the company will clarify who we now are and enable us to leverage the excellent brand reputation Perma-Pipe has established over many years as the industry leader in pre-insulated piping and leak detection systems. I am excited to have the opportunity to lead and shape our organization through this step in our evolution and, with our dedicated and talented group of employees, I am confident we will be successful in implementing strategies for achieving growth and improving financial performance."

Mr. Barrie added, "We are delighted that Fati Elgendy will continue in a consulting capacity for the Perma-Pipe business. Fati, who joined the Company more than 35 years ago, was the architect of Perma-Pipe's success, building a legacy that will live on for years to come. We are truly grateful for his experience, judgement and accomplishments, and look forward to his continued contributions."

In another change to its executive leadership team, MFRI announced the departure of Bradley E. Mautner, who served as a vice president over the past three months to assist with the onboarding and transition to

incoming president and CEO David Mansfield. Mr. Mautner, who was MFRI's president and CEO from February 1, 2013 to November 8, 2016, will continue as a board member.

"The Board is pleased that Mr. Mautner will continue to serve as a director on MFRI's board," said Mr. Barrie. "His wise counsel and in-depth knowledge of the business, markets and customers are invaluable to the strategic growth of the company."

MFRI

MFRI 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 seven 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.