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MFRI Announces that It has formed a Consortium with Danish Company Logstor to bid the East Africa Crude Oil Pipeline (EACOP) Project

NILES, IL. – February 21, 2017 -- MFRI, (NASDAQ: MFRI), announced today that its Perma-Pipe subsidiary has formed a consortium with Danish company Logstor to bid the East Africa Crude Oil Pipeline (EACOP) project. This consortium joins the leading pre-insulated piping manufacturers in North America and Europe to take advantage of their combined fabrication, engineering and material science expertise.

The EACOP project is a 1450 Km (900 mile) long heavy crude oil pipeline from the Lake Albert Basin in Uganda to the Tanga port in Tanzania being developed by French oil company Total E&P, China National Offshore Oil Corporation (CNOOC) and London-based Tullow Oil. The pipeline is 24 inches in diameter, and is electrically heat traced.

CEO David Mansfield commented, “We are very excited by this opportunity to join forces with Logstor to bid what will be the longest insulated and heat traced pipeline in the world. We believe that the combined experience and expertise of our two organizations can bring significant value to the various EACOP stakeholders.”

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.

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 seven locations in five countries.