



PRESS RELEASE

GENERAL ELECTRIC AGREES TO ACQUIRE ZENON ENVIRONMENTAL

*Expands GE's Water & Process Technologies Platform with the
Addition of Best-In-Class Ultrafiltration Membrane Technologies*

For Immediate Release:

TREVOSE, PENNSYLVANIA AND OAKVILLE, ONTARIO (March 14, 2006) GE Water & Process Technologies, a unit of General Electric Company (NYSE: GE) and ZENON Environmental Inc. (TSX: ZEN and ZEN.NV.A; OTC: ZNEVF and ZNEAF), announced today that they have signed an agreement in connection with the acquisition by way of Plan of Arrangement of ZENON by GE in an all cash transaction for Cdn \$24.00 per share, valuing the transaction at approximately Cdn \$760 million, or US \$656 million. ZENON is a global leader in advanced membranes for water purification, wastewater treatment and water reuse to municipalities and industries worldwide.

Over its 26-year history, ZENON pioneered the use of ultrafiltration technology for water and wastewater treatment. The technology has become the technology of choice for water and wastewater plants, and its adaptation is spreading rapidly throughout the world.

"ZENON is a great strategic fit with GE," said David Calhoun, GE Vice Chairman and President & CEO, GE Infrastructure. "With the synergies we create, we will have the potential to grow revenue in the municipal water segment at more than 30 percent for the next several years. Its best-in-class membrane technologies will allow GE to serve the fast-growing ultrafiltration segment of water and wastewater treatment, significantly expand our capabilities to help customers address pressing water scarcity issues and play a key role in the high-growth areas of the municipal water segment. With this terrific addition, we anticipate our water platform growing to nearly US \$2.5 billion in revenue next year."

Andrew Benedek, Chairman and CEO of ZENON Environmental, said, "This transaction will benefit both our customers and GE's customers. Our advanced membranes and talented team, combined with GE's technology, scale, strong global network and services expertise, will open up new global opportunities for our ultrafiltration technology."

ZENON's advanced membranes include membrane bioreactor (MBR) and hollow fiber technologies that offer low-cost filtration and disinfection in one step with low energy consumption. ZENON has an extensive patent portfolio that will enhance GE's current water scarcity platform by providing pre-

treatment technology for reverse osmosis desalination and reuse. ZENON's technology in municipal water treatment will enhance GE's presence with advanced technology products in this large global industry. ZENON's technologies also will help GE provide the best life-cycle cost reduction for customers in customized service agreements.

Under the terms of the agreement, GE will acquire all of the issued and outstanding Common Shares of ZENON (ZEN – TSX) and the Non-Voting Class A Shares (ZEN.NV.A – TSX) for Cdn \$24.00 in cash. ZENON option holders will be eligible to receive Cdn \$24.00 cash, less the exercise price of the respective option.

The transaction is to be effected by way of statutory "Plan of Arrangement" and will require the approval of ZENON's securityholders. Management of ZENON anticipates that a management proxy circular regarding the Arrangement will be mailed to securityholders by the end of March 2006, with a meeting of the ZENON shareholders being held to approve the Plan of Arrangement in late April or early May 2006. Assuming successful completion of the Arrangement, GE intends to amalgamate ZENON with a wholly owned subsidiary of GE.

The Board of Directors of ZENON, following the unanimous recommendation of a Special Committee of independent directors established to oversee the transaction and the negotiation thereof, has unanimously approved the Arrangement Agreement and is recommending the holders of ZENON Common and Non-Voting Class A Shares vote in favor of the Plan of Arrangement.

GMP Securities L.P. and J.P. Morgan Securities Inc. have acted as financial advisers to the ZENON Board and Special Committee and have also each provided an opinion to the Board and the Special Committee confirming the fairness of the offer to the holders of the Common Shares and Non-Voting Class A Shares of ZENON.

Andrew Benedek, Chairman and Chief Executive Officer, who, together with his affiliates, owns 6,148,160 shares, has entered into a support agreement agreeing to vote in favor of the Arrangement, subject to limited exceptions, including the termination of the Arrangement Agreement by ZENON.

Additional Information about the Transaction

The Arrangement is subject to customary regulatory approvals, as well as to approval by the holders of the ZENON Common Shares, Class A Non-Voting Shares and the holders of ZENON options and the approval of the Alberta Court.

Under the Arrangement Agreement, ZENON is prevented from pursuing any other takeover proposals, subject to certain exceptions including exceptions in connection with the fiduciary duties of the ZENON Board of Directors.

If the Arrangement does not occur under certain circumstances, ZENON has agreed to pay a break fee of three percent of the equity value of this agreement.

About GE Water & Process Technologies

GE Water & Process Technologies, a unit of General Electric Company, is solving some of the world's most pressing water challenges by providing industrial, agricultural and potable water, while lessening our dependence on fresh water sources. Technologies to accomplish this include desalination, advanced membrane, separation solutions, and water reuse and wastewater management and process technologies. GE delivers value to customers by improving performance and product quality, reducing operating costs and extending equipment life. For more information on GE Water & Process Technologies, visit www.gewater.com

In Canada, GE has operations across the country, including 15 major manufacturing facilities, over 150 sales and service locations and more than 9,500 employees.

About ZENON Environmental

ZENON is a world leader in providing advanced membrane products and services for water purification, wastewater treatment and water reuse to municipalities and industries worldwide. Canada's Top 100 Employers ranked ZENON in their top 100 list for the last six years. An S&P/TSX Composite company, ZENON Environmental Inc. trades on the Toronto Stock Exchange under the symbols ZEN and ZEN.NV.A; and on the OTC under the symbols ZNEVF and ZNEAF. Additional information is available at ZENON's web site www.zenon.com.

Caution Concerning Forward-Looking Statements

This document contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For GE, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices, from future integration of acquired businesses, from future financial performance of major industries which we serve, including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries, from unanticipated loss development in our insurance businesses, and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature. These uncertainties may cause actual future results to be materially different than those expressed in the forward-looking statements. Neither GE nor ZENON undertakes to update our forward-looking statements.

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