



June 8, 2008

Dear Investor:

ESI Environmental arranges \$5.4-million financing

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Mr. David Porter reports:

ESI ANNOUNCES \$5.4 MILLION NON-BROKERED PRIVATE PLACEMENT

ESI Environmental Sensors Inc. has arranged a non-brokered private placement of up to 12 million units at 45 cents per unit to raise gross proceeds of up to \$5.4-million. Each unit will consist of one common share and one-half of a common share purchase warrant. Each full warrant will be exercisable into an additional common share at 50 cents for a period of two years from the closing date. The private placement is subject to TSX Venture Exchange acceptance.

The proceeds from this financing will be used to expand manufacturing to meet existing and anticipated demand for ESI's moisture monitoring, oil monitoring and associated wireless systems, and to further develop the next generation of products for the agriculture, and oil and gas industries. In addition, a portion of the proceeds will be used for general working capital purposes.

Subject to TSX-V approval, the company will pay a finder's fee in connection with the private placement.

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About ESI

ESI is a leading developer and manufacturer of patented and propriety systems for industrial and environmental applications where understanding the presence and content of water is important. Major market sectors include: Agriculture, Golf and Turf, Scientific Research and Oil. ESI products have been successfully introduced into more than 40 countries to enable customers to optimize their operations by monitoring the presence and movement of water, managing irrigation systems, and monitoring the integrity of landfill covers. Most recently, the FloPoint instrument has been introduced to the Oil industry in Western Canada and will shortly be undergoing tests in the United Arab Emirates. The tool measures the volumetric presence of water pumped from producing oil wells for characterization and optimization. ESI differentiates itself by translating the best technology and science available into practical, easy to use, repeatability and ability to operate in challenging conditions. ESI is publicly traded on the TSX Venture Exchange under the symbol "ESV". Further information about ESI may be obtained through the Company's website at www.esisensors.com.