



News Release

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For Immediate Release

**AVANGARD INDUSTRIES AND INNOVATIVE COMMODITIES GROUP ANNOUNCE
THE FORMATION OF AVANGARD INNOVATIVE**

Two Leading Global Plastics Recycling Companies and Former Rivals to Merge.

HOUSTON - OCT. 18, 2006 - Avangard Industries, LTD and Innovative Commodities Group (ICG), two of the world's leading plastics recycling, processing and commodities trading companies, jointly announced today, the merger of the two companies into the newly formed Avangard Innovative.

The primary focus of the new Houston-based company will be to provide recycling services, commodities trading, plastic material processing and environmental impact studies and education. By incorporating the strength of Avangard's position in the post consumer market, along with ICG's pioneering post industrial recycling programs, Avangard Innovative will provide greater supply and sales opportunities worldwide.

After working together in 2005 on a highly successful project in Mexico, the potential for a natural synergy between the two companies became readily apparent. "The new company, Avangard Innovative, will allow us to provide a stronger global reach, as well as improved market fulfillment both nationally and internationally", said Rick Perez, Avangard Innovative CEO and Principal and current CEO of Innovative Commodities Group.

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Planning and integration of Avangard Industries and ICG will begin in the fourth quarter of 2006 culminating with formal operations of the merged company commencing on January 1, 2007. The newly formed Avangard Innovative will provide larger processing capacity, complete recycling programs and closed loop recycling services worldwide with service concentrations in North America, Mexico, Central America, South America, China and India,

“Some of the strongest growth in the industry is currently in Latin America. By merging, we will be in a position to take maximum advantage of the developing Latin America market”, said Arturo Creixell, Avangard Innovative COO and Principal and current CEO of Avangard Industries. “The impact of the merger will greatly benefit our current and future customers and vendors through increased consistency of volume availability, higher quality controls and enhanced customer service throughout the sales and service transaction cycle.”

First year sales revenues for Avangard Innovative are forecast to be \$100 million. The combined Avangard Industries and ICG group will include 19 processing plants and 20 branch offices, with an employment of 1200 worldwide.

About Avangard Industries

Avangard Industries, LTD is an international leader in the procurement, processing and distribution of plastic materials. Established in 1984 with headquarters in Houston, Texas, Avangard conducts business on an international level and is consistently rated as one of the top plastic recyclers and traders in North America. Avangard purchases, markets, and processes a wide variety of materials from virgin pellets to post consumer scrap including PET, PE, PP, ABS, PC, PS, PVC, PC/ABS, TPO and other engineering grade materials.

About Innovative Commodities Group

Innovative Commodities Group (ICG) is a premier global recycling service company committed to creating a better tomorrow through recycling and the development of new ideas with partners to reclaim optimal volumes of recyclable products. Established in 1991 and headquartered in Houston, Texas, ICG is a pioneer in establishing complete recycling and closed loop recycling programs for large retail and manufacturing companies in the USA, Mexico, Central and South America.

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