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**AVONDALE MILLS AND APJET, INC. ANNOUNCE JOINT DEVELOPMENT
AGREEMENT FOR COMMERCIALIZATION OF ADVANCED PLASMA
TREATMENT TECHNOLOGY FOR USE IN FABRIC MANUFACTURING
Program will seek to develop and test the use of former Homeland Defense technology to
produce apparel with unique properties**

(Santa Fe, New Mexico) Avondale Mills and APJeT, Inc. announced today the signing of a Joint Development Agreement (JDA) between the two companies aimed towards commercialization of an advanced manufacturing process involving the use of ionized gas (plasma) for treatment of cotton and cotton/polyester fabric. The proprietary plasma treatment is aimed at producing apparel with unique properties, such as a super-stain and water repellent, for cotton garments that appear and feel indistinguishable from ordinary cotton fabric and cotton/polyester blends that are as comfortable to wear as 100% cotton apparel, yet maintain the shrinkage, wrinkle and wear resistance of cotton/polyester fabric blends.

Dr. Gary Selwyn, CEO of APJeT credits Avondale for being an industry leader in adopting the advanced technology for textile manufacturing.

“APJeT is excited about working together with Avondale Mills, a leader in the manufacture of cotton and poly/cotton fabrics, to demonstrate the unique capabilities that our proprietary Atmospheric Pressure Plasma Jet (APPJ) technology offers for high-volume, textile production. This marks the start of a new era for the US textile industry for manufacturing of products that are clearly differentiated from foreign producers by building attributes into the fabric that result from the use of our proprietary ionized gas technology.”

APJeT’s proprietary, atmospheric pressure plasma technology was originally invented by Selwyn and others at Los Alamos National Laboratory (LANL), as a means for decontaminating areas affected by chemical and biological weapons or radioactive contamination. The commercial application for treating textiles became apparent to Selwyn and APJeT’s chief engineer, Dr. Hans Herrmann, also formerly with LANL, after the two founded APJeT, a spin-off from LANL.

Dr. Herrmann comments on the partnership with Avondale, "We look forward to working with Avondale for customer testing and analysis of advanced, plasma-based treatment processes that makes woven, cotton apparel become water and stain repellant, while also maintaining the comfort, feel and look of untreated garments, a treatment process that lasts through multiple laundering cycles."

Stephen Felker, Avondale Mills’ Chairman and CEO, comments, “Avondale has long been a major producer of cotton and poly/cotton apparel fabrics. We have managed to remain competitive despite economic difficulties in the industry due in large part to our commitment to

continually increasing efficiency via the integration of cutting edge technologies. Avondale's partnership with APJeT continues this commitment. APJeT's high tech atmospheric plasma processing represents a milestone in the pursuit of supplying our customers with differentiated, state of the art, high quality, and low cost apparel fabrics."

The use of advanced technology in fabric manufacturing, such as atmospheric pressure plasma treatment, offers potential for the US Textile Industry, which employs close to 400,000 employees, and which has been badly impacted by foreign competition, to produce products that are clearly differentiated and have greater value, than those produced by foreign producers known for their low labor cost.

Avondale Mills also notes that the APJeT® technology not only provides fabric having unique properties, but also reduces the environmental impact of textile manufacturing because it is an "all-dry" technology that does not generate wastewater. Says Avondale Mills' Director of Product Development/Workwear Fabrics Tony Bellamy, "We are extremely excited about this new development partnership in textile processing. APJeT's technology offers an advanced technique with low environmental impact for the application of technical finishes."

While Avondale and APJeT have just begun collaboration under this Joint Development Agreement, future applications could also include treatment of cotton fabric to make the fabric fire retardant, while also being environmentally benign and having a lower health risk than with current flame retardant chemicals.

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APJeT, Inc. is a global leader in advanced processing of materials through the use of plasma. Located in Santa Fe, New Mexico, the company leverages its patent portfolio in atmospheric pressure plasma sources and is the exclusive licensee in all fields of use, for the high power, APPJ® technology invented at Los Alamos National Laboratory. Founded in 2000, the

company manufactures atmospheric pressure plasma sources using its proprietary APPJ® technology, as well as developing materials treatment processes optimized for use of its source technology. APJeT's products focus on surface modification of materials, thin film deposition and etching or cleaning applications. APJeT is a privately-held corporation having minority corporate sponsorship by Air Products and Chemicals, Inc. For more information, please visit our web site, <http://www.apjet.com> or telephone 505-471-6399.

Source: APJeT, Inc.

With operations located throughout the southeastern United States, the privately owned Avondale Mills, Incorporated, founded over 150 years ago, remains a leading producer of cotton and polyester/cotton blend yarns and fabrics. For more information please visit our web site, <http://www.avondalemills.com> or call (770)267-2226.

Source: Avondale Mills, Inc.