



July 9, 2008 – 8:30 AM EDT

American TonerServ Announces Letter of Intent for Acquisition in Indiana

American TonerServ Corp. (OTCBB: ASVP) ("ATS"), a strategic consolidator in the more than \$6.0 billion highly fragmented independent segment of the printer supplies and services industry, announced today it has executed a Letter of Intent to acquire certain assets of Mid-America Environmental, LLC doing business as Alpha Laser and Alpha Imaging ("Mid-America") of Evansville, Indiana. Alpha Laser provides printing supplies and service and Alpha Imaging sells and services copier equipment.

According to unaudited financial information provided to ATS by Mid-America, the business generated approximately \$1,300,000 in revenue in 2007. Consideration for the purchase would be determined based on a due diligence review of Mid-America's financial statements and other factors, but is expected to include a combination of cash, ATS stock and a promissory note.

Dan Brinker, CEO of ATS, said, "Mid-America is particularly attractive to us because the founders and their team focus on both printers and copiers, creating strong ties to their customers and opening new opportunities for service and product sales. At the conclusion of this acquisition, the Mid-America team would be able to maintain those strong local customer relationships and leverage ATS' benefits as a nationwide supply and service provider, including bulk purchasing power, sales and marketing tools, technology solutions, and operational expertise and efficiency."

Mr. Brinker added, "Earlier this year, we announced our intention to acquire the Pendl Companies of Brookfield, Wisconsin as a regional hub. We intend to have the Mid-America team operate as a satellite serving the vibrant business communities in the upper Midwest and supporting Pendl's national accounts."

Mid-America has been serving its customers' office supply, printer service and equipment needs since 199. Mr. Scott Althaus, one of the founders of Mid-America, said, "We believe that the infrastructure and business support ATS provides will make a difference in our ability to develop business for ATS in our market. We are very much looking forward to expanding our service offerings and joining the ATS team."

The acquisition is subject to the completion of due diligence, negotiation and execution of a definitive purchase agreement, as well as customary closing conditions. Additional information related to this transaction will be disclosed upon the execution of a definitive purchase agreement. The LOI provides that the parties will endeavor to complete the transaction within the next 90 days.

Mr. Brinker added, "We continue to seek the best printer service and supply dealers in major metropolitan areas around the country. We believe our hub-and-satellite strategy combines the strengths of a national brand with local market knowledge and relationships. Through our subsidiaries, ATS offers cartridge recycling, print management service, and pro-active service programs that free our customers from worrying about printer and copier downtime."

About American TonerServ:

American TonerServ Corp. ("ATS") is building a nationwide organization to efficiently serve the printing needs of small- and medium-sized businesses by consolidating leading independent operators in the \$6 billion recycled printer cartridge and printer services industry, offering top-quality, environmentally-friendly products and local service teams. Please see www.AmericanTonerServ.com for more information.

Forward-Looking Statements

Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors such as the level of business and consumer spending, the amount of sales of the Company's products, the competitive environment within the industry, the ability of the Company to continue to expand its operations, the level of costs incurred in connection with the Company's expansion efforts, economic conditions in the industry and the financial strength of the Company's customers and suppliers. The Company does not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.