

23 April 2007

For Immediate Release

**Amiad Filtration Systems Ltd.
(“Amiad” or the “Company”)**

Waivers and Grant of Options

On 19 April 2007, following a request made by the Company, three of its directors, Yosef Katz, Abraham Heifetz and Itamar Eder, and the V.P. Sales & Marketing, Arik Dayan, gave written notice to the Company of their waiver, with immediate effect, of their respective rights to options granted to them by the Company under the Amiad 2005 Share Option Plan (the “Plan”) over the following number of ordinary shares, none of which had not vested at that date:

- Yosef Katz - 13,124 shares
- Abraham Heifetz - 8.751 shares
- Itamar Eder - 4,375 shares
- Arik Dayan - 4,375 shares

The Company had requested the waiver of these options in order that the aggregate number of shares under options granted to employees/directors of the Company (taking into consideration also the waiver of options by Kibbutz Amiad and the grant of new options to Mr. Rokah, as provided below) does not exceed 3% of the total issued share capital of the Company on a fully diluted basis. None of the optionholders received any consideration from the Company for agreeing to waive his options over the above shares.

The dates of vesting of those shares remaining under option have not been altered. Following the above waiver of options over shares, the directors are interested, either directly or indirectly, in the following number of shares in the Company:

	Number of Ordinary Shares	Number of Ordinary Shares under Option	% of Issued Share Capital
Yosef Katz	0	218,886	1.125
Abraham Heifetz	11,000	145,923	0.807
Itamar Eder	0	72,961	0.375

At the same board meeting, the Company received written notice from Kibbutz Amiad Agricultural Cooperative Association (“Kibbutz Amiad”) of its waiver, with immediate effect, of its right to options granted to it by the Company over 77,336 ordinary shares. The options had not vested at the date of the notice.

As a result of the above waiver of options by Kibbutz Amiad, each of Kibbutz Amiad and A.M.SI Investments (1997) Ltd., a company fully controlled by Kibbutz Amiad, (“AMS”) are interested, either directly or indirectly, in the following number of shares in the Company:

	Number of Ordinary Shares	Number of Ordinary Shares under Option	% of Issued Share Capital
Kibbutz Amiad	10,200	0	0.052
AMS	10,152,371	0	52.18

At the same meeting, the board of directors resolved (conditional upon obtaining shareholder approval at the Company’s Annual General Meeting to be held later this year) to grant options over 72,961 ordinary shares under the Plan to Mr Joseph Rokah, a director of the Company, at an exercise price of US\$1.532 per Ordinary Share (being the same price as the exercise price for the options previously granted to Kibbutz Amiad and all other option holders), such shares to vest as follows:

Vesting Date	Number of Ordinary Shares
11 August 2007	36,480
11 August 2008	18,240
11 August 2009	18,241

On 19 April 2007, the Company was notified by Mr Rokah that, following the above conditional grant of options over shares, he is interested, either directly or indirectly, in the following number of shares in the Company:

Number of Ordinary Shares	Number of Ordinary Shares under Option	% of Issued Share Capital
5,000	72,961	0.401

Enquiries

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