



NEWS RELEASE FOR IMMEDIATE RELEASE

For More Information Contact:
Timothy Kasmoch, CEO
info@nviro.com (419) 535-6374

N-VIRO INTERNATIONAL CORP. REPORTS INCREASED REVENUES FOR SECOND QUARTER 2009

Revenues Increased 20% Over Second Quarter 2008

Gross Profits up 176% Over Same Quarter in 2008

Tonnage processed up 23%

TOLEDO, OH, August 18, 2009 -- N-Viro International Corporation (OTC Bulletin Board: NVIC.OB), an environmental and materials operating company that owns patented technologies to convert various types of wastes into beneficial re-use products, including the renewable biofuel N-Viro Fuel™ and N-Viro Soil™ reports revenues increased 20% for the quarter ended June 30, 2009. Wet tons of biosolids processed in the second quarter increased 23% to 25,500 compared with 20,700 tons in 2008.

Financial highlights for the quarter include:

- Increased revenues by 20% for the second quarter 2009 to \$1.39 million compared with \$1.16 million in the quarter a year ago;
- Increased gross profit by 176% to \$338,000 in 2009 versus \$122,000 in second quarter 2008, an increase of \$216,000;
- Increased gross profit margins to 24% for the quarter compared with 11% for the quarter one year ago;
- Decrease operating expenses by 32% to \$376,000 as compared to \$553,000 during the second quarter of 2008;
- Net loss reduced to \$36,000, or \$0.00 per share for the quarter compared to a net loss of \$447,000, or \$0.10 per share for the same period in 2008, a decrease of \$411,000;

Timothy Kasmoch, President and CEO of N-Viro said, “Even though the quarter results showed a small loss, the continued positive trend of increased revenues and decreasing operating expenses should provide the base to sustain our cash flow. For the past two years we have been transitioning away from licensing technology to owning and operating company facilities, and these positive results are encouraging. Additionally, we expect the N-Viro Fuel technology to be the cornerstone of the Company through the development of new company facilities and our new business strategy.

-more-

N-Viro Fuel is a newly developed and patented biomass fuel with many characteristics similar to coal and is derived from a variety of organic wastes currently processed at the Company's wastewater sludge processing treatment facilities. By blending the organic waste material with one or more mineral by-products and drying the mixture, the Company has the ability to create a cost effective and renewable source for alternative energy which can be blended with coal or petroleum coke and burned as a coal substitute in coal-fired power plants.

Operational highlights include:

- Conducting ongoing discussions that are progressing with several power generation companies to commercialize patented N-Viro Fuel technology.
- N-Viro Fuel received *alternative energy status* from the U.S. Environmental Protection Agency.
- Extended Volusia County (Daytona Beach), Florida lease for another five years - facility currently services 12 municipalities.
- Announced agreement between Mahoning Valley N-Viro and CASTLO Community Improvement Corporation for purchase of land for construction of N-Viro Fuel facility in eastern Ohio.
- Announced construction started on all-new N-Viro Soil facility to serve Dan region and Tel Aviv, Israel.
- Signed memorandum of understanding with Toho Water Authority to negotiate a definitive agreement for permitting and construction of a biosolids processing facility using N-Viro Fuel in central Florida.

"I believe that we are well-positioned to benefit from increased demand as we pursue development of regional biosolids processing facilities. Site selections are currently under way as the Company moves forward with project development and expected permitting in the coming months. We continue to focus our new business efforts on our "green" technologies which we believe are at the forefront of today's environmental-conscious power production market," said Mr. Kasmoch. "Only a fraction of the energy utilized in the US comes from renewable sources, and we believe this percentage will grow significantly and complement the current administration's energy agenda supporting renewable alternatives for the generation of electricity. N-Viro is positioned to play an important part in this pivotal initiative. Our profitable first quarter coupled with our new business and partnerships, makes us very excited about our company's future."

About N-Viro International (www.nviro.com)

N-Viro International is an environmental and materials operating company that owns patented technologies to convert various types of waste into beneficial alternative fuel products, including the renewable biofuel N-Viro Fuel™ and the N-Viro Soil™. Its renewable biofuel technology, N-Viro Fuel™, has received alternative energy status from the U.S. Environmental Protection Agency, which qualifies the technology for renewable energy incentives. N-Viro International operates processing facilities independently as well as in partnership with municipalities.

Special Cautionary Note Regarding Forward-Looking Statements

The Company cautions that words used in this document such as "expects," "anticipates," "believes" and "may," as well as similar words and expressions used herein, identify and refer to statements describing events that may or may not occur in the future. These forward-looking statements and the matters to which they refer are subject to considerable uncertainty that may cause actual results to differ materially from those described herein. For example, while the Company expects business expansion projects to begin in an estimated time frame, such expectations are subject to adverse economic conditions and other factors outside of the Company's control. Further, the Company's ability to increase capabilities and expand capacity is subject to the ability of the Company or its partners to access sufficient capital to pay for this expansion, which will further depend on, among other factors, market acceptance. Our ability to achieve profitability of these projects could be negatively

-more-

impacted if there is a lack of an adequate supply of waste or expenses increase above the Company's expectations - including fuel and transportation costs, labor costs and costs relating to the treatment and processing of the biosolids and creation of the N-Viro Soil or N-Viro Fuel. In addition, while the Company believes that trends in "greener" energy solutions are moving in favor of the Company's technology, such trends may not continue or may never result in increased sales or profits to the Company because of the availability of competing products and other alternative energy source. All of these factors, and other factors, will affect the profitability of the Company. Additional information about these and other factors that may adversely affect these forward-looking statements are contained in the Company's reports, including its Annual Report on Form 10-K for the year ended December 31, 2008 and other filings with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws.

– Financial Tables Follow –

N-VIRO INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
Periods Ended June 30

	Three Months Ended		Six Months Ended	
	2009	2008	2009	2008
REVENUES	\$ 1,392,042	\$ 1,156,544	\$ 2,742,655	\$ 2,320,590
COST OF REVENUES	1,054,152	1,034,279	2,013,682	1,967,626
GROSS PROFIT	337,890	122,265	728,973	352,964
gross profit %	24%	11%	27%	15%
OPERATING EXPENSES				
Selling, general and administrative	376,222	553,009	733,316	948,402
OPERATING LOSS	(38,332)	(430,744)	(4,343)	(595,438)
OTHER INCOME (EXPENSE)				
Interest income	314	809	794	1,829
Interest expense	(12,953)	(17,180)	(27,278)	(30,625)
Gain on extinguishment of liabilities	14,482	-	14,482	84,158
	1,843	(16,371)	(12,002)	55,362
LOSS BEFORE INCOME TAXES	(36,489)	(447,115)	(16,345)	(540,076)
Federal and state income taxes	-	-	-	-
NET LOSS	\$ (36,489)	\$ (447,115)	\$ (16,345)	\$ (540,076)
Basic and diluted loss per share	\$ (0.01)	\$ (0.10)	\$ (0.00)	\$ (0.13)
Weighted average common shares outstanding - basic and diluted	4,521,421	4,297,125	4,520,091	4,211,720