

PALA INVESTMENTS CLOSES \$5 MILLION FINANCING IN RCAI

SAN CLEMENTE, California, December 17, 2007 -- Reclamation Consulting and Applications, Inc. (RCAI) (OTCBB: RCAA), a world leader in productivity-enhancing, environmentally-friendly anti-stick release agents and lubricants for the mining and aggregates sector, announced today that it has entered into a secured convertible debenture agreement to receive up to \$5 million financing from Pala Investments Holdings Limited. Pala Investments Holdings Limited is a US\$1 billion multi-strategy alternative investment company with a particular focus on mining and natural resource companies in both developed and emerging markets..

“Pala is an ideal partner for RCAI,” said Paul Hughes, Chief Financial Officer. “As a sophisticated investor within the mining services sector, Pala has excellent access to many of the world’s mining companies that we are targeting. This capital infusion allows us to concentrate on our rapidly growing commercial activities within the mining, asphalt and cement industries. It also provides us with the growth capital to accelerate our market penetration globally.”

“In addition to this capital infusion,” Mr. Hughes continued “we are also finalizing an important distribution agreement with Pala that we anticipate will not only increase our activities within the mining sector but will further accelerate our path to profitability”.

Commenting on the investment in RCAI, Joseph Belan, Managing Director of Switzerland-based Pala Investments AG, which advises Pala Investments Holdings Limited on an exclusive basis, said “We are delighted to be able to partner with RCAI at this exciting stage in its development. Pala’s investment in RCAI is a continuation of its active investment strategy in the mining consumables and services area. We look forward to working with management to execute its strategy, including the substantial expansion of the volume and global reach of RCAI sales.”

Under the terms of the transaction, Pala has invested three million dollars initially and has committed another two million dollars to be funded on or before the end of 2008, subject to RCAI meeting certain performance benchmarks, or which Pala may otherwise invest at its discretion. Pala’s two-tranche investment is structured as a three-year convertible debenture and allows Pala to convert their investment into RCAI’s common stock at \$0.14. They also received three million warrants under the terms of the first investment tranche and are to receive an additional two million shares on the funding of the second tranche. The warrants have a term of three years and an exercise price of \$0.21 per share. Pala has demand registration rights on the shares underlying the warrants and Pala’s conversion rights.

The terms of the transaction require RCAI to effect a 2 for 1 reverse stock split and to increase its authorized shares of common stock from 150 million to 200 million shares. The agreement also imposes certain restrictions on RCAI’s ability to incur additional debt without Pala’s approval and provides Pala with a right of first refusal on RCAI’s future

financings. RCAI has also agreed to enter into a non-exclusive distribution agreement with Pala.

In connection with Pala's investment, RCAI's management and three largest shareholders entered into an agreement with Pala to vote their shares to elect a director designated by Pala and to provide Pala with a right of first refusal on the sale of any of their RCAI stock.

More detail regarding the transaction is disclosed in RCAI's Current Report on Form 8-K filed with the SEC on December 18, 2007 and available on the SEC's web site at www.sec.gov.

"The Pala funding comes at an important time," said Gordon Davies, President of RCAI. "As the mining and aggregate sectors come to better understand the significant efficiency gains that our Alderox® product has demonstrated it can deliver, we expect to see continued growth in sales volumes to existing customers, as well as substantial growth in our business development activities and associated scheduled field trials. Pala's investment and strategic involvement will greatly assist us in accelerating our aggressive geographic roll-out".

About Pala

Pala Investments Holdings Limited, based in Jersey, Chanel Islands, is a US\$1 billion multi-strategy alternative investment company with a particular focus on mining and natural resource companies in both developed and emerging markets. Pala Investments' exclusive investment advisor, Pala Investments AG, is a Switzerland-based team with extensive experience within the mining and natural resource sectors. Pala Investments AG also advises Pala Assets Holdings Limited, a US\$700 million alternative investment company focused primarily on earlier-stage natural resource companies in emerging markets. Both Pala Investments and Pala Assets seek to assist companies in which they have long-term shareholdings by providing strategic advice and innovative financing solutions.

About RCAI

Headquartered in San Clemente, California, RCAI manufactures and globally markets its Alderox® line of release agents and lubricants to heavy industry. The company's patented Alderox® formulations, which are 100% environmentally-friendly, biodegradable, non-hazardous and non-toxic, are used to reduce or eliminate the significant problems associated with the build-up of materials in asphalt and mining haul truck beds, on mining and asphalt handling equipment and on concrete forms and molds.

For further information contact Mike Davies at RCAI directly at tel. (949) 542-7440 or visit the Company online at www.rca-inc.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements contained herein which are not historical are forward-looking statements that

are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, including, but not limited to, certain delays beyond the company's control with respect to market acceptance of new technologies or products, delays in testing and evaluation of products, and other risks detailed from time to time in the company's filings with the Securities and Exchange Commission.

Certain of the statements in the news release are forward-looking. Such statements relating to the Company's future business and the success of its products are based on Management's beliefs and opinions and also on assumptions made by and information currently available to the company. Such statements are subject to certain risks, uncertainties and the correctness of assumptions, and should be read with this cautionary statement in mind.