



N E W S R E L E A S E

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PRISON HEALTH SERVICES, INC. ANNOUNCES CONTRACT FOR PRISONER HEALTH CARE SERVICES WITH THE STATE OF MICHIGAN DEPARTMENT OF CORRECTIONS

BRENTWOOD, Tennessee (February 10, 2009) — America Service Group Inc. (NASDAQ:ASGR) announced today that the Company’s operating subsidiary, Prison Health Services, Inc. (“PHS”) and the State of Michigan Department of Corrections (“Department”) have agreed to an initial three-year contract under which PHS will provide prisoner health care services to the approximately 49,000 prisoners under the care of the Department.

The initial three-year state-wide contract will commence services on April 1, 2009 and generate revenues of approximately \$325.6 million. The contract received final approval today from the State Administrative Board.

Commenting on today’s announcement, Rich Hallworth, president and chief executive officer of America Service Group and PHS, stated “PHS is pleased to provide services to the State of Michigan’s Department of Corrections. We will build on the experience developed in other states where we provide correctional healthcare to partner with the Michigan DOC to ensure quality health care to inmates in Michigan.”

Lawrence H. Pomeroy, president of state corrections for PHS, said the PHS staff will work diligently with the Department to ensure a seamless transition. “We will be ready to assume our responsibilities on April 1, and greatly appreciate the close cooperation we are receiving from all the Michigan state departments involved in this transition,” Pomeroy said.

America Service Group Inc., based in Brentwood, Tennessee, is a leading provider of correctional healthcare services in the United States. Through its subsidiaries, Prison Health

Services, Inc., and Correctional Health Services, LLC, ASG offers a full spectrum of services, including:

- Comprehensive medical programs
- Staffing management
- Mental health services
- Pharmacy management
- Utilization/case management
- Provider contracting and claims adjudication
- Telemedicine
- Information management and reporting systems

The company currently, prior to the commencement of the Michigan Department of Corrections contract noted above, provides health care services in 23 states, in more than 129 facilities at the state, county and municipal level, to over 130,000 patients. Additional information about America Service Group, Inc., is available at www.asgr.com. Additional information on Prison Health Services may be found at www.prisonhealth.com and www.prisonhealthmedia.com.

Cautionary Statement

This press release contains “forward-looking” statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements in this release that are not historical facts, including statements about the Company’s or management’s beliefs and expectations, constitute forward-looking statements and may be indicated by words or phrases such as “anticipate,” “estimate,” “plans,” “expects,” “projects,” “should,” “will,” “believes” or “intends” and similar words and phrases. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

A discussion of important factors and assumptions regarding certain statements and risks involved in an investment in the Company is contained in the Company’s Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These forward-looking statements are made as of the date of this release. The Company assumes no obligations to update or revise them or provide reasons why actual results may differ.