

PROSEP ANNOUNCES SECOND AND FINAL TRANCHE OF PRIVATE PLACEMENT

- For Aggregate Gross Proceeds of \$3.7 Million -

MONTREAL, QUEBEC – May 17, 2010 - ProSep Inc. (TSX: PRP), dedicated to providing process solutions to the oil and gas industry, today announced that it has closed a second and last tranche of its private placement previously announced on May 6, 2010. ProSep issued 8,080,769 common shares at a purchase price of \$0.13 for gross proceeds of approximately \$1,050,500.

On May 10, 2010, ProSep obtained an advance income tax ruling from the Ministère du Revenu du Québec confirming that ProSep will qualify as a qualified issuing corporation and that the common shares issued in the second tranche of the private placement will qualify as qualifying shares, upon issuance to qualified mutual funds, under the Québec Stock Savings Plan II (QSSP II).

A first tranche of the private placement representing an issuance of 20,384,616 common shares for gross proceeds of approximately \$2,650,000 closed on May 7, 2010. A total of 28,465,385 common shares have been issued pursuant to the private placement for aggregate gross proceeds of approximately \$3,700,500.

The proceeds from the private placement will be used for working capital purposes.

Pursuant to applicable securities legislation, the issued common shares have a restricted “hold” period of four (4) months from the date of closing of the private placement.

About ProSep Inc.

ProSep Inc. is dedicated to providing process solutions to the oil and gas industry. ProSep designs, develops, manufactures and commercializes technologies to separate oil, water and gas generated by oil and gas production. For more information, please visit www.prosepinc.com.

Caution concerning forward-looking statements

This press release may contain forward-looking statements, including statements regarding the business and anticipated financial performance of ProSep Inc. These statements are based, among others, on the Company's current assumptions, expectations, estimates, objectives, plans and intentions regarding projected revenues and expenses, the economic and industry environments in which the Company operates or which could affect its activities, the Company's ability to attract new clients and consumers as well as its operating costs, raw materials and energy supplies which are subject to a number of risks and uncertainties. Forward-looking statements can generally be identified by the use of the conditional tense, the words "may", "should", "would", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective" or "continue" or the negative of these terms or variations of them or words and expressions of similar nature. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking information. These statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include but are not limited to the Company's ability to develop, manufacture, and successfully commercialize value added equipments and services, the availability of funds and resources to continue its operations and pursue its projects, legislative or regulatory developments, competition, technological change, changes in government and economic policy, inflation and general economic conditions in geographic areas where ProSep Inc. operates. These and other factors should be considered carefully and undue reliance should not be placed on the forward-looking statements.

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