

PROSEP REPORTS RECORD FINANCIAL RESULTS FOR 2008

MONTREAL, QUEBEC – March 12, 2009 - ProSep Inc. (TSX: PRP), dedicated to providing process solutions to the oil and gas industry, today announced its financial results for the three and twelve-month period ending December 31, 2008. All amounts are reported in Canadian dollars unless otherwise stated.

Selected Highlights

Achieved record operational and financial results:

- Reported record revenues of \$52 million for the year ending December 31, 2008 compared with revenues of \$6 million for the six-month period ending December 31, 2007¹.
- Announced over \$50 million² in new contracts during the year to supply process equipment to large national and international oil and gas (“O&G”) producers.
- Increased sales backlog to \$28 million at January 1, 2009.
- Reported first annual positive EBITDA at \$3 million for the year ending December 31, 2008, a substantial improvement from the negative \$4 million EBITDA for the six-month period ending December 31, 2007.
- Achieved positive cash flow from operations of \$0.8 million before changes in non-cash working capital items.
- Completed a \$5.1 million financing in the form of a convertible loan and amended a \$4 million unsecured debenture to provide \$0.75 million in additional liquidities and better manage foreign exchange exposure by converting debt currency.
- Completed successful integration of Pure Group and TORR Canada and realised over \$8 million of annual cost savings.

Strengthened operations and management:

- Completed reorganization of the Company in three efficient business units and implemented a new strategic plan:
 - Opened an office in the Middle-East and hired key employees across all locations.
 - Centralized product development activities in Norway; the world’s leading O&G technology hub;
- Changed Company name from TORR Canada Inc. to ProSep Inc. to reflect the diversified product offering and new global operations.
- Appointed David Laidley, Chairman Emeritus of Deloitte & Touche LLP, to the Board of Directors.
- Appointed Bruno Ducharme, Chairman and CEO of TIW Capital Partners, to the Board of Directors.
- Named Petter Hovland, P. Eng., as President of ProPure AS and General Manager for the European and Middle-Eastern markets.
- Named Patrice Daignault, CA, as Chief Financial Officer and Corporate Secretary.
- Received Deloitte Technology Green 15 Award in recognition of the quality of the Company’s process solutions.
- Obtained qualification of the ProSalt from Saudi Aramco and positioned the TORR™ and ProMix technologies in the qualification process.

¹ Corresponding period of previous year: December 31, 2007 period represents six months of operations pursuant to change in Company year-end from June 30 to December 31 in 2007.

² Sales are usually announced in USD, a total of US\$41.3 million was announced in 2008 or over \$50 million CAD at average exchange rate of \$1.25 USD/CAD.

"We are proud of our 2008 results. During the year, we achieved strong revenue growth and record financial performance. Our strategy of diversifying our product offering and expanding our global reach has worked very well in 2008. The successful integration of Pure Group and subsequent reorganisation has put us on the road to profitability," said Jacques L. Drouin, President and CEO of ProSep Inc. "We are entering 2009 with a solid foundation. Our strong sales backlog combined with a well-diversified client base, new team of leading industry experts, expanded product offering and global sales team, should allow us to continue delivering promising results," said Mr. Drouin.

Financial Results

As previously announced, the Company acquired Pure Group AS in October, 2007. Management believes that any comparisons with periods prior to the acquisition may not be meaningful. On December 31, 2007, ProSep changed its year-end from June 30 to December 31. Consequently, twelve-month operational and financial results for the period ending December 31, 2008 are compared to a six-month operational period. The following discusses 2008 year-end results and fourth quarter financial highlights.

For the quarter ending December 31, 2008, ProSep reported revenues of \$14.8 million, up from \$5.7 million during the corresponding quarter of 2007. For the twelve-month period ending December 31, 2008 ProSep reported revenues of \$51.6 million, a significant increase from \$5.8 million generated during the six-month period ending December 31, 2007. Revenues came from several contracts to supply conventional and proprietary gas, oil and water treatment systems to large International Oil and Gas Companies as well as National Oil and Gas Companies. ProSep's equipment has been delivered and installed on oilfields around the world.

For the quarter ending December 31, 2008, ProSep reported gross margins of \$4.4 million or 31% of revenues compared to \$0.7 million or 12% of revenues for the corresponding quarter of 2007. Gross margins were \$15.8 million or 31% of revenues for the twelve-month period ending December 31, 2008 compared to \$0.6 million or 11% of revenues for the six-month period ending December 31, 2007. 2008 gross margins improved substantially from the six-month period of 2007, positively impacted by a more efficient business model and a new expanded product base. A warranty provision of \$2.6 million was also reversed during the twelve-month period ending December 31, 2008 related to the successful delivery of the seven TORR™ water treatment systems in Kuwait, of which \$1.3 million was reversed during the fourth quarter of 2008.

For the quarter ending December 31, 2008, ProSep reported EBITDA of \$0.8 million or 5% of revenues compared to a negative EBITDA of \$3.5 million for the corresponding quarter of 2007. EBITDA for the twelve month period ending December 31, 2008 was \$3 million or 6% of revenues, compared to a negative EBITDA of \$4.6 million for the six-month period ending December 31, 2007.

Sales and marketing expenses were \$1.9 million or 4% of revenues for the twelve-month period ending December 31, 2008 and \$0.6 million or 11% of revenues for the six-month period ending December 31, 2007. The majority of these expenses relates to salaries, marketing and travel activities.

Research and development expenses were \$1.2 million or 2% of revenues for the twelve-month period ending December 31, 2008 and \$0.3 million or 5% of revenues for the six-month period ending December 31, 2007. These higher levels in 2008 reflect our acquisition of Pure Group and its important R&D center in Bergen, Norway. These expenses consist mostly of salaries and are dedicated to expanding the Company's product offering.

Based on the assessment of fair value of the ABCP held by the Company, ProSep recognized during the twelve-month period ending December 31, 2008, a charge of \$1.4 million of which \$0.9 million was taken during the fourth quarter of 2008. Total impairment charges of \$3.2 million were taken on this investment since its acquisition, representing 35% of the original cost. On January 21, 2009, The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper implemented the Asset Back Commercial Paper ("ABCP") restructuring Plan. Pursuant to this agreement, the Company received long-term floating rate notes against which National Bank of Canada ("NBC") has provided the Company with a long-term credit facility and a guaranty for approximately 60% of the original ABCP value.

For the quarter ending December 31, 2008 ProSep reported net income of \$0.03 million compared to a net loss of \$5 million for the fourth quarter of 2007. For the twelve month period ending December 31, 2008, the

Company reported a net loss of \$1.6 million or \$0.03 per share. This compares to a net loss of \$8 million or \$0.15 per share for the six-month period ending December 31, 2007.

Basic and diluted earnings (loss) per share was calculated using the weighted-average number of common shares outstanding during the period: 62,877,078 shares for the twelve-month period ending December 31, 2008 and 53,036,426 shares for the six-month period ending December 31, 2007.

At December 31, 2008, ProSep held cash and cash equivalents of \$7.6 million.

“Although these results are not showing any softening of demand for our process solutions, some independent O&G companies have recently announced significant reductions in their capital expenditures. In order to face a possible reduction of demand for our products, we will further strengthen our operations. We will continue to focus on optimizing our working capital management, balance sheet structure and cost monitoring,” said Mr. Drouin. “I believe we can continue to take advantage of market opportunities by expanding our portfolio of products, strengthening our presence in the Middle-East and focusing on selling value added solutions to our clients.”

Selected Financial Highlights

(000\$)	Year ended December 31 2008	Six-month period ended December 31, 2007
Revenue	\$51,604	\$5,785
Gross margin	\$15,870	\$628
Gross margin percentage of sales	31%	11%
EBITDA	\$3,020	(\$4,601)
EBITDA percentage of sales	6%	n/a
Net loss	(\$1,625)	(\$8,075)
Basic and diluted loss per share	(\$0.03)	(\$0.15)
Weighted average number of shares (basic and diluted)	62,877	53,036
Working capital ⁽¹⁾	\$944	\$952
Total Assets	\$69,496	\$60,434
Long term liabilities ⁽²⁾	\$20,695	\$20,584
Shareholder equity	\$19,531	\$18,672

⁽¹⁾ Excluding ABCP short term demand loan

⁽²⁾ Including ABCP related National Bank loan

ProSep’s complete annual audited financial statements are available on the Company’s website at www.prosepinc.com.

ProSep filed its annual audited consolidated financial statements for the twelve month period ending December 31, 2008 and related management discussion and analysis with securities regulatory authorities. The material will be available through SEDAR at www.sedar.com and on the Company’s website, www.prosepinc.com.

Conference Call and Webcast Details

ProSep will host a conference call on Thursday, March 12 at 8:30 a.m. (ET) to discuss its 2008 year-end financial results. To access the conference call by telephone, dial 416-644-3423 or 1-800-731-5319. Please connect approximately 15 minutes prior to the beginning of the call to ensure participation.

A live audio webcast of the conference call will be available at www.newswire.ca. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at www.prosepinc.com for 30 days.

Note: Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure and the Company defines it as earnings or loss from operations excluding depreciation and amortization, financial charges and income taxes

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 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 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. ProSep Inc. does not undertake to update any forward-looking statements.

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