ProSep Inc.

TOGETHER CREATING PURE OIL, GAS AND WATER

Management Discussion and Analysis
May 14, 2009

For the first quarter period ended March 31, 2009

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with ProSep Inc.'s ("ProSep" or the "Company") Unaudited Interim Consolidated Financial Statements for the three month period ended March 31, 2009 and 2008 and should also be read with the Company's Annual Audited Consolidated Financial Statements and MD&A for the year ended December 31, 2008.

Regulatory Filings

The Company's continuous disclosure material including interim filings, annual MD&A and Audited Consolidated Financial Statements, Annual Information Form and Notice of Annual Shareholder Meeting and Proxy Circular are available at www.sedar.com and on the Company's website at www.prosepinc.com

Caution Regarding Forward-Looking Statements

This Management Discussion and Analysis 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 Management'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.

Use of estimates

In the course of the preparation of financial statements in conformity with Canadian generally accepted accounting principles, management must make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period. Actual results could differ from these estimates.

All amounts are in Canadian Dollars unless otherwise specified

Non-Gaap Measurements

This MD&A contains the terms "cash flow before changes in non-cash working capital items" and "earnings before interest, taxes, depreciation and amortization ("EBITDA"), which should not be considered an alternative to or more meaningful than net earnings or cash flow from operating activities as determined in accordance with Canadian generally accepted accounting principles ("GAAP") as an indicator of the Company's performance. These terms do not have any standardized meaning as prescribed by GAAP. ProSep's determination of cash flow before changes in non-cash working capital items and EBITDA may not be comparative to that reported by other companies. Management uses cash flow before changes in non-cash working capital items to analyze operating performance and leverage, and considers cash flow before changes in non-cash working capital items to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and to repay debt. Cash flow before changes in non-cash working capital items is calculated using cash flow from operating activities as presented in the consolidated statement of cash flows before changes in non-cash working capital and settlement retirement costs. Management uses EBITDA, among other measures, to assess the operating performance of the ongoing businesses without the effects of depreciation expense. ProSep excludes depreciation expense because it largely depends on the accounting methods and assumptions a company uses, as well as on non-operating factors such as the historical cost of capital assets. The following tables reconcile cash flow from operating activities and Cash flow form operating activities before changes in non cash working capital items

	Three months ended March 31,	
	2009	2008
Cash flow from operating activities	(253,220)	(2,907,708)
Changes in operating working capital items	328,119	(2,234,270)
Cash flow before changes in working capital items	(581,339)	(673,438)

Comparative figures

Comparative figures for the financial information related to the three month period ended March 31, 2008 have been reclassified to conform with the March 31, 2009 presentation

TABLE OF CONTENTS

1. OVERALL PERFORMANCE

1.1. Highlights of the Quarter Ended March 31, 2009

- Recorded revenues of $13.2 million, an increase of 45% when compared $9.1 million for the corresponding period of 2008.
- Generated gross margin of $3.2 million (24%) compared to $2.5 million (28%) for the corresponding period of 2008.
- Recorded net loss of $2 million for the three-month period ended March 31, 2009 compared with net loss of $3.3 million for the corresponding period of 2008.
- Announced approximately $12 million[1] in new contracts during the quarter to supply process equipment to large national and international oil and gas producers.
- Sales backlog standing at $ 24.1 million at April 1, 2009.
- Launched a new complementary line of conventional produced water treatment products.
- Received important industry recognition for the ProSalt, a compact and highly efficient crude desalting technology.
- Initiated a program to reduce overall debt and recapitalize operations to support the Company's growing working capital requirements (Refer to section 8).
- Concluded new covenant structure with DnB Nor, releasing 18,000,000 NOK (approximately $3,4 million as of April 29, 2009) previously escrowed.
- Signed a long term credit agreement with National Bank of Canada, providing for long term financing against the Replacement Notes.

1.2. Material Events and Important Subsequent Events

In this section, all material events and commitments for the three-month period are presented, followed by information on important subsequent events, up to the date of this MD&A.

- On March 19, 2009 ProSep announced that its ProSalt desalting technology had received the Offshore Technology Conference (OTC) "2009 Spotlight on New Technology Award" recognizing innovative technologies significantly impacting offshore exploration and production.

- On March 5, 2009 ProSep announced it was awarded a contract valued at $2.1 million (US) to supply Whiting Petroleum with an additional membrane unit to increase their gas treatment capacity at their Wickett CO_2 Removal Facility located in West Texas.

- On March 2, 2009 ProSep announced it was awarded a contract valued at $2.0 million (US) to supply a fuel gas treatment system package to Powertium Engineering Sdn Bhd for installation at PETRONAS Carigali Sdn Bhd's Tangga Barat Central Processing Platform located offshore Peninsular Malaysia.

- On February 23, 2009 ProSep launched a new line of conventional produced water treatment solutions. A comprehensive line of conventional and proprietary solutions are now offered to treat produced water at all three phases of separation, treatment and polishing for both onshore and offshore operations.

- On February 12, 2009 ProSep announced it was awarded a contract valued at $1.2 million (US) to supply BP Alaska with a multiphase separator complete with internals to be installed

[1] Sales are usually announced in USD, a total of US$9.3 million was announced in 2008 or approximately $12 million CAD at average exchange rate of $1.25 USD/CAD.

at BP Alaska Liberty Project. ProSep was also awarded a contract valued at $0.3 million (US) to supply Saudi Aramco with a ProMix test unit to be installed at South Ghawar, the world's largest oil field.

- On January 12, 2009 ProSep announced it was awarded a contract valued at $3.7 million (US) by a major engineering, procurement and construction firm to supply fuel and seal gas packages that will be used on an unnamed offshore project in Asia.

2. COMPANY OVERVIEW

2.1. Business Overview

ProSep designs, develops, manufactures, and commercializes process solutions to treat and purify oil, gas, and water for the O&G upstream industry. ProSep has a wide range of conventional and proprietary process equipment sold in units or in packages to O&G producers and engineering procurement and construction firms ("EPC") with or without process warranties.

Global Business Model:	ProSep is a solutions provider supplying traditional and proprietary process equipment packages with process warranty.
ProSep provides:	-In-house engineering from process to details; and -Direct and hands-on involvement with project management to include fabrication, assembly commissioning and services.

ProSep operates around the world in the most important O&G service hubs with operations in Houston (USA), Bergen (Norway), Fusa (Norway), Kuala Lumpur (Malaysia), and Manama (Bahrain). The head office is in Montreal (Canada).

ProSep has approximately 100 employees, mainly technical sales people, process engineers, product engineers and project managers and workers in the Houston assembly shop.

2.2. Corporate Model and Sales Network

ProSep has three diversified business units that promote all proprietary and conventional products across all regional markets. Each unit is a center of excellence based on the expertise and reputation it has built over the years and has its own engineering and sales teams and access to a wide network of agents.

ProSep Inc.
(Montreal, Canada) **Head Office**

America	**Europe + Middle East**	**Asia Pacific**
(Houston, USA) **Engineering** **Project management** **Manufacturing** **Assembly** **Commissioning**	(Bergen, Norway) + (Bahrain) **Engineering** **Sales office** **Project management** **Commissioning** (Fusa, Norway) **Product development**	(Kuala Lumpur, Malaysia) **Engineering** **Project management** **Manufacturing** **Assembly** **Commissioning**

2.3. Business Environment

Management believes that the current recession, combined with lower oil price levels and overall weakening in the global economic outlook, may have a negative impact on the Company's business. These factors have led to a substantial reduction in capital expenditures of O&G producers and demand for process equipment. The market for upstream O&G process equipment is directly related to capital expenditure programs of O&G producers. Management believes that capital expenditure programs may continue to be reduced if oil prices remain significantly low, especially from independent O&G producers, smaller O&G producers, and oil sands producers. However, we also believe that O&G producers commonly known as National Oil Companies ("NOC") tend to have longer term expansion plans and are slightly less sensitive to short-term oil price variations. NOCs are less dependent on the capital market for their financing needs. For instance, Petrobras[2], Petronas[3] and Pemex[4] have announced substantial increases in their capital expenditure plans.

If the world's demand for O&G reduces significantly and translates into less O&G production requirements, there might be a significant decline in the upstream O&G process equipment market. This could potentially result in a decrease in revenues and lower gross margins as competition becomes more aggressive. As for the Company's proprietary lines of products, it is difficult at this stage to project the potential effect on expected revenues.

In order to prepare ProSep for this eventuality, the Company will continue to control its costs, improve working capital management, strengthen its balance sheet, adjust its marketing & sales strategy, optimize current tax structures, improve internal controls, increase sales of proprietary products and continue developing its product offering and focus on promising markets as worldwide reductions in CAPEX are not expected to occur equally across all regions. ProSep's strong presence in these key markets where production costs are lower will be an important part of the Company's offensive strategy in the coming year.

Even in the face of reductions in oil demand of about 2%[5] in 2008 and 2009, overall production rates continue to naturally decline at a rate of 9% per annum[6]. The oil and gas industry will still need to continue investing to replenish production levels and bring new production onstream to prevent a supply crunch. In the longer term, continued reductions in CAPEX are not sustainable and will continue to be a key driver for the upstream oil and gas industry.

Recent key initiatives to support the Company's organic growth strategy:

- The Houston operation developed and recently launched a new line of conventional produced water treatment products to complement the company's TORR™, CTour® and Sorbfloc proprietary offerings.
- The Bahrain office was set-up to capitalize on the fairly robust Middle-Eastern market.
- Several of ProSep's proprietary and conventional products help customers reduce their cost of production by reducing chemical and energy consumption and providing environmental benefits.

---

[2] In a press release issued January 23, 2009 entitled "Business Plan 2009-2013", Petrobras projects that 2009-2013 investments will increase by 55% from US$112 billion for the 2008-2012 period, to US$174 billion.

[3] In a news article dated December 2, 2008 from the Malaysian National News Agency on www.bernama.com, Devamany S.Krishnasamy, Deputy Minister in the Prime Minister's Department is quoted to have said that Petronas' investments overseas are not affected despite the fall in global oil prices.

[4] In a news article dated January 23, 2009 by Peter Millard of Dow Jones Newswires, www.rigzone.com, Pemex CEO Jesus Reyes Heroles was reported to have said that the company plans to invest $20 billion in 2009, up from $18 billion invested in E&P in 2008.

[5] The latest Reuters poll of 11 analysts, banks and industry groups shows oil consumption will decline by an average of 1.56 million barrels per day in 2009 to 84.10 million bpd. www.rigzone.com article published April 30, 2009 "Demand drop "steeper than first thought".

6 2008 IEA WEO

- A new and expanded assembly shop in Houston is expected to come on line shortly and will enable the Company to better serve the packaging market, an important niche market for ProSep's operations in the US and South East Asia.

3. PRODUCTS

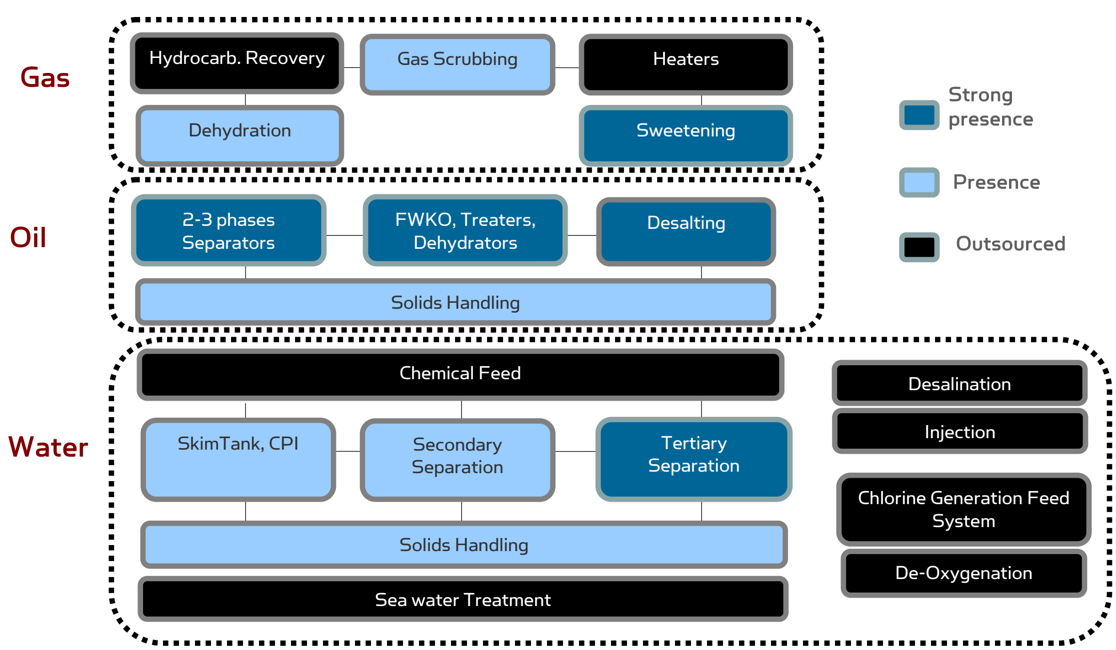
3.1. Market Segments and Product Penetration

ProSep's international team of engineers has developed extensive knowledge of process solutions for the upstream O&G treatment market. The Company's expertise lies in three main production lines: produced water, oil and gas. ProSep designs customer specific solutions using its own products (a mix of proprietary and conventional technologies) and/or other solutions available on the market. A well diversified product offering and custom solutions-oriented service are key to ProSep's value proposition. The following is a diagram of the Company's product penetration within each treatment line.

3.2. Product and Services Overview

Through its wide range of proprietary and conventional products, ProSep offers custom process solutions to O&G producers that wish to optimize their produced water, oil and gas treatment, separation and polishing activities. The Company has developed practical process solutions that deliver benefits to the environment, enabling O&G producers to meet industry and regulatory requirements while optimizing profitability, an important value-added proposition as production wells mature and volumes of produced water increase globally.

For a complete list and description of the Company's conventional and proprietary offering, refer to the most recent Annual Management Discussion and Analysis document available at www.sedar.com and www.prosepinc.com.



4. RESULTS OF OPERATIONS

4.1. Contracts

Sales come 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. Our systems have been delivered and installed on oilfields around the world.

Table of announced contracts in 2008 and subsequent first quarter of 2009

Date	Value	Product	Customer	End User	Delivery
Jan. 2008	US$0.9 M	Engineering	Worley Parsons	BP Exploration	Immediate
Apr. 2008	US$1.4 M	Suction scrubber	Worley Parsons	BP Exploration	Q1/2009
Apr. 2008	US$11 M	Oil separation	Al-Rashed Co.	KOC	Q2/2009
Apr. 2008	US$13 M	Gas separation	Occidental Petro	Occidental Pet.	Q1/2009
Jul. 2008	US$4.8 M	Gas separation	Worley Parsons	BP Exploration	Q3/2009
Jul. 2008	$3.3 M	Glycol regen.	Petronas	Petronas	Q2/2009
Sep. 2008	US$1.1 M	ProSalt Mixer	PEMEX (Mexico)	PEMEX	Q4/2009
Sep. 2008	n/a	TORR system	Fores Eng.	ENI and Inagip	n/a
Oct. 2008	US$1.7 M	Gas conditioning	Powertium Eng.	Petronas	n/a
Oct. 2008	US$2.3 M	Gas separation	Skanska LatinoA.	PDVSA	Q3/2009
Nov. 2008	US$1.8 M	Desalter	Hunt Refining	Hunt Refining	Q4/2009
Jan. 2009	**US$3.7 M**	**Fuel gas package**	**Major EPC firm**[1]	**Asia Offshore IOC**[1]	**Q4/2009**
Feb. 2009	**US$1.2 M**	**Separator**	**Worley Parsons**	**BP Exploration**	**Q4/2009**
March 2009	**US$2.0 M**	**Fuel gas package**	**Powertium/MMHE**	**Petronas**	**Q4/2009**
March 2009	**US$2.1 M**	**Gas membrane units**	**Whiting Petroleum**	**Whiting Petroleum**	**Q3/2009**

[1] Client and end-user couldn't be revealed for competitive reasons.

4.2. Revenues

For the three-month period ended March 31, 2009 ProSep reported revenues of $13,186,780, a 45% increase from $9,117,043 for the previous three-month period ended March 31, 2008. The completion of major contracts as well as favourable exchange rates allowed our US operations to achieve revenue growth of 29% (from $7.8 million in Q1-2008 to $10 million in Q1-2009). During the period, average USD/CAD conversion rates for sales concluded at the US operations account for about $1.8 million of revenue increase (from an average foreign exchange rate of 1.01 for Q1-2008 to 1.24 for Q1-2009). Asia Pacific operations also contributed to revenue increases and grew at the quickest rate of all our operations with $2.2 million of revenues in Q1-2009 representing 17% of our consolidated revenues. For the previous comparable quarter of 2008, this operation reported revenues of $0.8 million or 9% of consolidated revenues. The increase is mainly attributable to two important contracts for the delivery of fuel gas packages. The slight decrease of the ProPure and Middle-East operation is explained by lower order intake related to timing of contracts.

Revenues and expenses by business units for the three-month period ended March 2009

	US Operations	ProPure & Middle-East	ProSep Asia Pacific	Product Development	Corporate Office	Consolidation & Inter segment eliminations	Consolidated operations
	$	$	$	$	$	$	$
Revenue third party	9 944 627	999 467	2 068 975	173 711	-	-	13 186 780
Revenue inter segment *	74 683	-	167 077	-	-	(241 760)	-
Total revenue	10 019 310	999 467	2 236 052	173 711	-	(241 760)	13 186 780
Cost of goods sold	7 744 313	723 537	1 627 549	116 469	-	(241 760)	9 970 108
Gross margin	2 274 997	275 930	608 503	57 242	-	-	3 216 672
	23%	28%	27%	33%			24%
Operating expenses	1 381 060	712 091	207 649	166 399	897 123	-	3 364 322
EBITDA**	893 937	(436 161)	400 854	(109 157)	(897 123)	-	(147 650)

Revenues and expenses by business units for the three-month period ended March 2008

	US Operations	ProPure & Middle-East	ProSep Asia Pacific	Product Development	Corporate Office	Consolidation & Intercompany eliminations	Consolidated operations
	$	$	$	$	$	$	$
Revenue third party	7 767 263	1 140 735	128 853	80 192	-	-	9 117 043
Revenue inter segment *	-	-	690 411	-	-	(690 411)	-
Total revenue	7 767 263	1 140 735	819 264	80 192	-	(690 411)	9 117 043
Cost of goods sold	5 573 214	851 363	782 199	68 099		(690 411)	6 584 464
Gross margin	2 194 049	289 372	37 065	12 093	-	-	2 532 579
	28%	25%	5%	15%			28%
Operating expenses	992 563	673 536	180 637	290 356	836 548	-	2 973 640
EBITDA**	1 201 486	(384 164)	(143 572)	(278 263)	(836 548)	-	(441 061)

* These transactions were carried out at exchange amount which is the value established and accepted by the parties.
** 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. Please refer to section called non GAAP measurement

4.3. Cost of Goods Sold and Gross Margin

Gross margin was $3,216,672 or 24% of revenues for the three-month period ended March 31, 2009, and $2,532,579 or 28% of revenues for the three-month period ended March 31, 2008. Average USD conversion rate of US operation cost of goods sold grew from 1.01 for the three-month period ended March 2008 to 1.24 for the three-month period ended March 2009 and account for about $0.4 million of the increase. Lower gross margins as a percentage of revenues for the three-month period ended March 31, 2009 is mainly attributable to US contract mix where contracts had a slightly lower margin than in the previous comparable period due to their relative size. Lower gross profit margins are also explained by technology licence revenues of about $0.3 million included in the ProPure and Middle East business units' 2008 first quarter revenues (for which there was no cost). These lower margins were compensated by important Asia Pacific margin increase, from 5% for the three-month period ended March 31, 2008 to 27% for the three-month period ended March 31, 2009, mainly related to increase sales allowing the unit to capture operational synergy.

4.4. Expenses and EBITDA

Detailed expenses (nominal and as a % of revenues)

	Three-month period Ended March 31			
	2009		2008	
REVENUES	**$13,186,780**		**$9,117,043**	
Sales and marketing	$473,979	3.6%	$561,064	6.2%
Research and development	$161,496	1.2%	$303,205	3.3%
General and administrative	$2,728,847	20.7%	$2,109,371	23.1%
	$3,364,322	25.5%	$2,973,640	32.6%
EBITDA	($147,650)	-	($441,061)	-

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at ($147,650) for the three-month period ended March 31, 2009 compared to ($441,061) for the same period in 2008. This improvement is due to the company's increased revenues and costs reduction program established in 2008 and 2009 in the context of which additional operating synergies have been benefited and costs continued to be controlled.

Sales and Marketing Expenses

Sales and marketing expenses were $473,979 or 3.6% of revenues for the three-month period ended March 31, 2009 compared to $561,064 or 6.2% for the three-month period ended March 31, 2008. The majority of these expenses relate to salaries, marketing, promotional and travel activities. These reductions are mainly a results of reductions in the Company's sales and marketing team in Norway and better cost control measures in line with the Company's continued efforts to streamline operations, leverage operational synergies and control costs

Research and Development Expenses

Research and development expenses decreased to $161,496 or 1.2% of revenues in the three-month period ended March 31, 2009 from $303,205 or 3.3% in the three-month period ended March 31, 2008. The expenses incurred by the Company relating to R&D activities (mostly salaries) have and will continue to be reduced significantly as development activities are increasingly conducted in collaboration with industry partners.

ProSep's R&D model:
Development activities are conducted under the umbrella of joint industry partnerships (JIP) with super major oil and gas companies. This is a highly efficient collaboration model that allows the Company to develop pioneering technologies by addressing a fair portion of project financing needs and validates market interest before the applications reach commercialization. The Company retains all property rights including technology, patents and licensing fees relating to future sales of all products developed.

General and Administrative Expenses

General and administrative ("G&A") expenses were $2,728,847 or 20.7% of revenues for the three-month period ended March 31, 2009 compared to $2,109,371 or 23.1% for the three-month period ended March 31, 2008. The reduction as a percentage of sales in quarterly G&A expenses is related to the fixed nature of these costs and increased sales level. The majority of these expenses relate to salaries (including benefits and option costs) and professional fees (which include regulatory fees, legal fees, accounting and audit fees, investor and public relation fees and consulting fees) and office infrastructure related expenses.

The increase of approximately $0.6 million is explained by a higher US conversion rate which account for about $0.2 million. Also, increased staff at both US and Asia Pacific operations account for an increase in G&A of approximately $0.2 million in line with recent sales growth seen at these operations. Also, pension accrual charge related to reduction in staff at the Norwegian operations explain $0.1 million of the difference. Various head office and business unit expenses account for the remainder of the increase in quarterly G&A.

Corporate Office Expenses: as shown in table 2.2, the Company reports head office expenses as a separate segment. These expenses have been stable during the first year-over-year and mainly account for salaries, regulatory fees, legal fees, travel, etc.

4.5. Decrease in fair value of ABCP

First quarter 2008 results include an impairment charge related to fair value adjustment of the investment in asset backed commercial paper. No impairment was required in the first quarter of 2009. Please refer to note 8 of the March 31, 2009 consolidated financial statements for more details.

4.6. Financial charges

Detailed financial charges

	Three-month period Ended March 31	
	2009	2008
Financial charges		
Interest on long-term debt	$471,315	$373,854
Accretion on long-term debt	$164,994	$61,731
Interest charges	$177,553	$139,211
	$813,862	$574,796
Held for trading		
Change in fair value of derivative financial instrument	-	$239,998
Interest revenue on “held for trading assets”	($17,000)	($69,804)
	($17,000)	$170,194
Loss on foreign exchange	$541,626	$1,213,880
	$1,338,488	$1,958,870

Total financial charges were $1,338,488 for the three-month period ended March 31, 2009 compared with $1,958,870 for the three-month period ended March 31, 2008. Lower financial charges in the first quarter of 2009 is mainly due to lower foreign exchange loss of $541,626 for the three-month period ended March 31, 2009 compared to $1,213,880 for three-month period ended March 31, 2008. This is attributable to both USD and NOK exchange rate variation impact on conversion of balance sheet items.

Reduced financial charges related to the existence of a foreign exchange contract held during the three-month period ended March 31, 2008 that matured in 2008 and which generated a loss of $239,998. There was no forward foreign exchange contract outstanding during the three-month period ended March 31, 2009.

In April 2008, the Company concluded a private placement for $5.1 million. Financial charges relating to this transaction accounted for $228,665 for the quarter ended March 31, 2008. This new debt mainly explains the increase in interest and accretion expenses.

4.7. Income Tax

Income taxes were $122,906 in the three-month period ended March 31, 2009 compared to $124,026 in the three-month period ended March 31, 2008. The Company's operating revenues and expenses are reported by various business units located around the world and subject to various fiscal jurisdictions. Some of these business units are profitable while others have yet to generate net income and some have accumulated tax losses. ProSep's management is working on optimizing its tax structure.

4.8. Net Loss

The Company reported a net loss of $1,984,516 or ($0.03) per share for the three-month period ended March 31, 2009 compared to a net loss of $3,337,814 or ($0.05) per share for the three-month period ended March 31, 2008. The reduction of the net loss is attributable to the net variations in revenue, gross margin, expenses and financial charges discussed above.

Basic and diluted earnings (loss) per share was calculated using the weighted-average number of common shares outstanding during the period: 64,443,451 shares for the first quarter ended March 31, 2009 and 62,556,566 shares for the corresponding quarter of 2008.

4.9. Other Items

4.9.1. Legal proceedings

ProSep has a policy to defend its intellectual property firmly and with conviction. In October 2005, the Company initiated legal proceedings before the Québec Superior Court against a former employee and related parties seeking injunctive relief for misappropriation and illegal use of proprietary information belonging to the Company. It is not expected that further developments will occur until trial which has been set to begin on November 9, 2009.

ProSep is the defendant in a claim made by Westend Enviro Consultants ("Westend"). Westend commenced an action in the Supreme Court of British Columbia on March 31, 2006 claiming damages for breach of contract and fraudulent misrepresentation. Westend claims that ProSep entered into an agreement with it to provide equipment and a chemical for remediation work on a site in B.C. Westend alleges that it paid a total of $280,000 to ProSep and that it did not ever receive the specified chemical, thereby making the machine worthless. The amount of the claim as stated in the pleading is $280,000. ProSep filed a Statement of Defence on June 9, 2006, denying any liability. Document discovery has largely been completed. Examinations for discovery have been conducted. Further information and document requests have been answered. No trial date has been scheduled. It is premature to assess the likelihood of successfully defending this claim. No amount has been accrued.

5. SUMMARY OF QUARTERLY RESULTS

5.1. Selected quarterly financial performance

	Year Ending December 31, 2009	Year Ending December 31, 2008				Six-Month Period Ending December 31, 2007		Year Ending June 30, 2007			
	Q1	Q4	Q3	Q2	Q1	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**13,187**	14,798	12,548	15,141	9,117	5,683	102	9,402	16,415	170	68
Net income (loss)	**($1,985)**	27[1]	1,848[2]	(162)	(3,338)	(5,012)	(3,063)	(2,928)[3]	(1,864)[4]	(1,777)	(1,368)
Basic EPS* (loss)	**(0.03)**	0.00	0.03	(0.00)	(0.05)	(0.09)	(0.07)	(0.06)	(0.04)	(0.04)	(0.03)
Diluted EPS (loss)	**n/a**	0.00	0.03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

*EPS: Earnings per share
Revenue and income are in thousands, all amounts are in CAD $.

[1] Net income includes a reversal of $1,280,921 of warranty provision and $1,645,356 gain on foreign exchange
[2]Net income includes a reversal of $1,280,920 of warranty provision and $1,886,988 gain on foreign exchange
[3] Net loss includes a $1,385,008 warranty provision
[4] Net loss includes a $1,176,833 warranty provision

6. BALANCE SHEET ITEMS

6.1. Assets

Total assets as at March 31, 2009 were $71,197,059 representing an increase of $1,701,449 from the December 31, 2008 amount of $69,495,610. At the end of March 31, 2009, ProSep had $8,923,145 in cash and cash equivalents compared with $7,615,119 as at December 31, 2008. The Company's receivables were $20,511,093 as at March 31, 2009 in line with the December 31, 2008 amount of $20,004,848 as at December 31, 2008. There was an increase in prepaid expenses to $1,131,738 in the three-month period ended March 31, 2009 up from $886,085 as at December 31, 2008 related to various payments of operating expenses. No major changes occurred in other accounts since the beginning of the year.

As mentioned in the subsequent event note of the consolidated financial statements as of March 31, 2009, Prosep has obtained a new covenant structure effective April 30, 2009 on its credity facility with DnB NoR. Persuant to this new structure, the $3,362,393 (18,000,000 NOK) that was held in a separate escrowed bank account until the new covenant structure was determined, was released to the operations. See section 8 for more information.

6.2. Liabilities

Total liabilities at March 31, 2009 were $53,587,771 representing an increase of $3,623,063 from the December 31, 2008 amount of $49,964,708. The variance is mainly a result of an increased use of the DnB Nor bank credit facility from $4,396,044 at December 31, 2008 to $6,139,212 on March 31, 2009. Accounts payables and accrued liabilities account for an additional $559,042 in liabilities and an increase in deferred revenue accounted for $689,838. All numbers are in-line with an increased level of activity.

In April 2009, the company accepted the offer from National bank of Canada whereby the ABCP related term loan maturing in April 2009 was replaced by two long term revolving credit facilities totalling $7,180,564. (refer to notes 8 and 15 to the financial statements).

For more information on the Company's debt structure, refer to notes 9 and 10 to the financial statements.

6.3. Equity

The Company's net equity as at March 31, 2009, was $17,609,288, compared to $19,530,902 as at December 31, 2008 resulting from the three-month period ended March 31, 2009 net loss.

As of March 31, 2009 ProSep had 64,443,451 common shares issued and outstanding, unchanged from December 31, 2008 and compared to 62,556,566 on March 31, 2008.

7. OFF BALANCE SHEET ARRANGEMENTS

During the year ended December 31, 2008 ProSep entered into a commitment lease agreement for a new 55,000 square feet manufacturing and assembly facility located in Houston, Texas. The Company expects to move its manufacturing and assembly capacity to this new premise during the second quarter of 2009. This expansion will enable the Company to double the size of its Houston facility and allow for a significant increase in its production capacity and enable it to diversify its product offering.

8. LIQUIDITY AND CAPITAL RESOURCES

8.1. Cash Flows

Operating Activities

During the three-month period ended March 31, 2009, ProSep generated a negative cash flow from operations of $253,220 and a negative cash flow before changes in non-cash working capital items of $581,339. During the three-month period ended March 31, 2008, the Company generated negative cash flow from operations of $2,907,708 and a negative cash flow before changes in non-cash working capital of $673,438 which included close to $1.5 million of unrealized exchange loss compared to less than $0.4 million this year. Operating cash flows and operating cash flows before changes in working capital improved during the three-month period ended March 31, 2009 as a result of better operational and financial performance.

Investing Activities

During the three-month period ended March 31, 2009, ProSep invested $54,910 in property & equipment, mainly related the US operations. During the three-month period ended March 31, 2008, ProSep invested $52,465 most of which was also invested in the US based operations.

Financing Activities

During the three-month period ended March 31, 2009, ProSep's financing activities of $1,433,203 consisted mainly of drawings on DnB NoR credit facility. This compares to $1,909,261 during the same quarter of 2008, also mainly related to drawings on the credit facility.

8.2. Liquidity

As at March 31, 2009, ProSep had $8,923,145 of cash and cash equivalents and a total of $4,400,239 in short term restricted cash. On March 31, 2008, the Company had $7,615,119 of cash and cash equivalents and $1,037,846 of short term restricted cash and $3,158,986 of long term restricted cash. See notes 6 and 15 to financial statements.

As at March 31, 2009 ProSep had net unrestricted working capital of negative $7.2 million (non GAAP measure defined for the purpose of this section as current assets, excluding restricted cash, less current liabilities excluding accrual related to restricted cash), compared to a negative $6.3 million as at December 31, 2008.

8.3. Credit Facilities and financial liabilities

Credit facilities includes $7.2 million ($7.2 million in 2008) of short term loan with National Bank which was converted in April 2009 into two long term revolving credit facilities. (please refer to note 8 of the financial statements as of March 31, 2009 for more details)

At December 31, 2008, the Company was in breach of one of its financial covenant under the credit facility with DnB NOR (see annual MD&A section 11 liquidity and capital resources). The breached covenant called for ProSep to repay entirely the line of credit twice a year. Due to the increase in backlog, ProSep required full usage of its working capital resources and was thus unable to comply with this covenant in due time. A long term waiver was obtained for such covenant breach. In exchange for the waiver, the Company agreed to maintain an amount of 18 000 000 NOK in a separate escrowed bank account to be held until determination of a new covenant structure. DnB Nor Bank ASA agreed to a new covenant structure outlining its 45,000,000 NOK loan facility (36,000,000 NOK at March 31, 2009) so as to release the 18,000,000 NOK (approximately $3,4 million as of April 29, 2009) previously escrowed pending the renegotiation relating to the new covenant structure.

The conversion of the $7.2 million National Bank of Canada loan as well as the release of the $3,4 million (18 000 000 NOK) escrowed money by DNB Nor have increased the net unrestricted working capital by an aggregate amount of $10.6 million

Principal use of working capital is to provide for the financing of various contracts. The level of working capital can be quite volatile during a given period, depending on contract advancement. A portion of the working capital is financed through customer advances or progress payments on contracts. In some cases, such advances or payments require the issuance of letters of guarantee (LG) using the DnB Nor 15 million NOK facility ($2,802,010 at March 31, 2009) or support provided by Export Development Canada ("EDC"). As at March 31, 2009 the total (DNB & EDC) outstanding LG were $5,797,048 ($4,002,231 as at December 31, 2008).

Considering the current debt obligations, debt repayment schedules and negative cash flow from operating activities, ProSep initiated a program to recapitalize the Company, negotiate repayment schedules and reduce overall debt. In particular, debt servicing in the parent Company cannot be met in the second half of 2009 due to debt covenants restricting the use of available liquidities from operations. In order to address this problem, the Company is currently exploring ways to reduce overall debt, preserve cash and align credit facilites to better suit the capital needs of the entire organization. Discussions with current debthoders have been initiated with a view to reorganizing the Company's capital structure. The outcome of these discussions may result in swapping of the Company's debt (all or in part) for equity. If successful, a reorganization will significantly strengthen ProSep's financial position and enable the Company to better take advantage of future market opportunities.

ProSep's current bank credit facilities:

Credit facilities as of March 31, 2009

Lender	Description	Currency	Amount (CAD)	Drawn (CAD)	Available (CAD)
DNB Nor	Overdraft	NOK/USD	$5,510,600	6,139,212 [1]	$437,680
	F/X forward facility	NOK	$93,400	$0	$93,400
	Guarantee facility	NOK	$2,802,010	2,363,015	$438,995
National Bank of Canada	Credit facility	CAD	$7,200,000	$7,200,000	n/a (term loan)

[1] Drawn amount as at March 31st, 2009 is $6,139,121. Such excess drawing over the capacity is related to company bank accounts showing positive cash position which are considered by the banks against overall drawn amounts (cash pooling). The excess drawing is also related to a temporary excess authorized by the bank due to a delay in large customer payment. This temporary excess was covered in early April 2009 following customer payment.

ProSep's debt and credit facilities repayment schedule as of March 31, 2009

	Carrying Amount	One – six months	Six - twelve months	One – five years	More than five years
Bank credit facilities	$13,339,212	$7,200,000 [1]	$6,139,212	-	-
Long Term debt	$16,113,467	$1,101,241	$2,450,515	$12,561,711	-
Total	$29,452,679	$8,301,241	$8,589,727	$12,561,711	-

[1] In April this short term loan with National Bank was converted into two long term revolving credit facilities.

At the date of this MD&A, the Company has no long term commitments for capital expenditures. However the Company has signed a long term lease agreement for the manufacturing facility located in Houston, see section 7 – Off Balance Sheet Arrangements for further details.

ProSep intends to finance its future capital requirements from cash on hand, cash flow from operating activities and externally generated funds such as the disposition of assets, debt or equity issuance. As previously discussed, ProSep also intends to pursue potential refinancing opportunities with its current lenders.

Regarding operating income, ProSep Inc is a company with low business operations, sources of income or operating assets other than the shares of subsidiaries, operating companies and TORR technology. ProSep's cash flow and, consequently, its ability to meet its debt service obligations is highly dependent upon the receipt of funds from its subsidiaries in the form of loans, dividends, advances or otherwise. On April 20, 2009, the Company entered into an agreement with DnB Nor Bank ASA ("DnB") pursuant to which the parties established an updated covenant structure in relation to the loan facility entered into by DnB and the Company. Under this amended debt agreements, ProSep is subject to certain financial and negative covenants, including restrictions on ability to incur indebtedness, pay dividends, make certain other payments, create liens, sell assets and engage in mergers. The operating subsidiaries of the Company are also restricted from transfering funds in the form of dividends, loans or otherwise to the Company in excess of $3,7 million for fiscal year 2009. Therefore, as at March 31, 2009, due to the short-term maturities of certain credit facilities, committed cash obligations and expected level of expenses for the upcoming 9 months exceed committed sources of funds and cash and cash equivalents on hand. In view of these conditions, the ability of the Company to continue as a going concern is dependant upon its ability to obtain such financing and on achieving profitable operations. As a result, failure to (a) obtain new sources of financing or refinancing of current debts on favourable terms; (b) complete asset sales on favourable terms or (c) complete a recapitalization transaction on favourable terms could result in ProSep being unable to meet its operational and financial requirements.

In addition, it should be noted that ProSep's ability to generate operating income depends on conditions in the O&G industry. The global economic environment affects demand for oil and gas, thus affecting the price of these commodities and, in turn, the industry's willingness to invest in exploration and development CAPEX, including for the types of process equipment and services provided by the Company and its subsidiaries. Any substantial reduction in demand for oil and gas as a result of a global recession, accompanied by lower prices and reductions in CAPEX programs, could therefore negatively impact our business.

Since our incorporation, our operating results have fluctuated and there can be no assurance that we will operate profitably in the future. Considering general economic conditions, our operating results may vary from quarter to quarter, depending on a number of factors, including:

- the introduction and market acceptance of new products and new variations of existing products;
- the activities of our competitors;
- our ability to control our expenses;
- variations in the timing of orders and subsequent shipments;
- the length of our customers' approval processes or market tests;
- changes in our mix of products;
- lack of liquidity;
- changes in capital spending;
- unforeseeable or unavoidable delays in large-scale customer projects;
- higher interest rates;
- changes in currency rates.

Because our quarterly revenues could be dependent upon a relatively small number of large transactions, even minor variations in the rate and timing of conversion of our sales prospects into revenue could cause us to plan or budget inaccurately, and those variations could adversely affect our financial results. Delays, reductions in amounts or cancellations of customers' purchases could adversely affect our business, financial condition and results of operations. In light of the foregoing, quarter-to-quarter comparisons of our operating results are not necessarily meaningful and should not be relied upon as indications of likely future performance or annual operating results.

In addition to the available sources of funds from operations, we will continue to review opportunities to refinance our corporate debt, raise new financing and sell assets. We regularly evaluate opportunities for the expansion of our operations or for further investments in projects. The future capital requirements related to such investment activities, if any, will be incremental to the anticipated capital contributions to existing operations, and therefore additional corporate financing will be required to fund such development projects or to further support current operations. The ability to generate short-term and long-term capital in the future is dependent upon many factors, including general economic conditions in the countries where we conduct our principal operations and financial market conditions.

In summary, ProSep's ability to meet its cash requirements, including its debt service obligations, depends on its ability to substantially improve its operating performance, which is subject to general economic and competitive conditions and to financial, business and other factors affecting its operations, many of which are or may be beyond its control. In addition, some of these debt service obligations have interest payments that are subject to variable interest rates and are therefore dependent upon future interest rates which are beyond its control. ProSep cannot provide assurance that its business will generate sufficient cash flows from operations to fund these cash requirements and debt service obligations. If its operating results, cash flow or capital resources prove inadequate, or if interest rates increase significantly, ProSep could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt and other obligations. If ProSep is unable to service its debt, it could be forced to reduce or delay planned expansions and capital expenditures, sell assets, restructure or refinance its debt or seek additional equity capital, and ProSep may be unable to take any of these actions on satisfactory terms or in a timely manner. Further, any of these actions may not be sufficient to allow ProSep to service its debt obligations or may have an adverse impact on its business. ProSep's existing debt agreements limit its ability to take certain of these actions. ProSep's failure to generate sufficient operating cash flow to pay its debts or to successfully undertake any of these actions could have a material adverse effect on ProSep.

9. TRANSACTIONS WITH RELATED PARTIES

During the quarter ended March 31, 2009, ProSep did not make any transactions with related parties.

10. DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of common shares, of which 64,443,451 common shares issued and outstanding, on March 31, 2009. We are authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to receive notice of and to attend all annual and special meetings of shareholders and to one vote in respect of each common share held at all such meetings. The holders of the common shares are entitled, at the discretion of our board of directors, to receive any or all of our profits or surplus properly available for the payment of dividends, as well as any dividend declared by the Board of Directors and payable by the Company on the common shares. The holders of the common shares will participate rateably in any distribution of our assets upon liquidation, dissolution or winding-up or other distribution of our assets among our shareholders for the purpose of winding up our affairs. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any securities issued and outstanding at such time ranking in priority to the common shares upon liquidation, dissolution or winding-up.

As at March 31, 2009, options to purchase 436,500 common shares of the Company issued pursuant to our Stock Option Plan were outstanding.

The Company grants restricted share units to attract, retain and motivate key personnel and reward officers and employees for significant performance and distributable cash flow growth. Each

restricted share unit is equal in value to one common share of the Company. The shares will be issued from the treasury of the Company. The number of shares reserved at any time must not exceed 10% of the aggregate number of shares.
As at March 31, 2009, 4,061,500 restricted share units were issued and outstanding.

As at March 31, 2009, warrants to purchase 27,635,027 common shares of the Company were outstanding. Pursuant to the terms of the subscription agreement dated April 24, 2008, ProSep issued 2,036,000 common share purchase warrants at an exercise price of $0.30 per share. As part of the private placement concluded on the same date, ProSep agreed to reduce the exercise price of the 2,424,242 warrants issued in October 2007 to Fondaction, at an exercise price from $1.65 to $0.55 per common share. The maturity date of the warrants has not been amended.Pursuant to the terms of the subscription agreement dated October 29, 2007, we issued warrants to purchase 2,424,242 common shares at an exercise price of $1.65 per common share for a period of five years to Fondaction. Pursuant to the terms of subscription agreements dated June 23, 2005, we issued 17,000,000 units of the Company at a purchase price of $0.50 per unit for gross proceeds of $8,500,000, with each unit consisting of one common share of the Company and one warrant and with each warrant being exercisable for one common share of the Company at a price of $0.65 per common share until November 2, 2009. The broker warrants were also issued as part of this transaction of which all have been exercised. Pursuant to the terms of subscription agreements dated November 2, 2004, we issued warrants to purchase 4,615,385 common shares of the Company at an exercise price of $0.65 per common share until November 2, 2009 to the FTQ, Innovatech, FIDD and BDC.

11. CRITICAL ACCOUNTING ESTIMATES

Please refer to March 31 2009 consolidated financial statements as well as annual 2008 Management and discussion analysis (MD&A)

12. FINANCIAL DISCLOSURE

In order to comply with the Canadian Securities Administrator's Multilateral Instrument 52-109 ("MI 52-109"), the Company has conducted an evaluation of it disclosure controls and procedures and internal controls during the year ended December 31st, 2008. The implementation of MI 52-109 involves a continuous improvement process, which has brought the Company to ensure that all relevant processes and controls were documented. Refer to the previous interim and 2008 annual MD&A.

12.1. Disclosure controls and procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that material information required to be disclosed is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to the management committee members, including the President & CEO and the CFO, to allow timely decisions regarding required disclosure.

As of December 31, 2008, an evaluation was carried out, under the supervision of and with the participation of management, including the President & CEO, the CFO, and the Treasury Director, of the effectiveness of the disclosure controls and procedures as defined under MI 52-109. This evaluation took into consideration the Company's disclosure policy, a cascading certification process and the presence of the disclosure committee. Based on that evaluation, the President & CEO and the CFO concluded that the design and operation of our disclosure controls and procedures were effective as at December 31st, 2008.

12.2. Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance to GAAP.

Internal control over financial reporting includes policies and procedures which pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions; provide reasonable assurance that transactions are recorded as necessary, thereby permitting preparation of consolidated financial statements in accordance with determined authorizations; and provide reasonable assurance regarding prevention or timely detection of unauthorized use of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As of December 31st, 2008, management evaluated the design of internal control over financial reporting as defined under MI 52-109, and, based on that evaluation, determined that certain aspects of internal control over financial reporting were not designed effectively but were mitigated by additional procedures to compensate them. As part of the conducted evaluation, the Company has continued to implement entity level controls which are now in accordance with COSO control framework. This results in a much greater level of confidence in the mitigating controls to compensate for the identified weakness. The control deficiencies identified by the Company did not result in adjustments to our consolidated financial statements for 2008. Management's assessment identified the following material weaknesses along with related remediation:

12.2.1. Entity level controls

During the fourth quarter of 2008, The Company has ensured its entity level controls were now maintained in accordance with COSO control framework. The entity level controls have considerably evolved during the financial year, but considering that the Company went through significant growth in the last years, changing considerably the environment, increasing substantially its assets and number of employees, and consequently creating a need for clear policies and procedures, there is a need for continued improvement on the control environment. We do have several written policies and procedures that are communicated and always available to employees; but some policies need to be reviewed as the business continuously evolves.

To mitigate that risk, management has been very active in:

- Communication to employees and management of their roles & responsibilities with regards to internal control over financial reporting;
- Production of bi-weekly management reports;

- Bi- weekly management committee meeting;
- Bi-weekly disclosure committee meeting (included in management committee meeting);
- Full-time availability of all policies and procedures to employees, managers, and directors;
- Evaluation of the design of the internal controls and continuous implementation of additional controls to ensure an increased level of confidence;
- Monthly financial statements are established by the Chief Accountant, and reviewed and analyzed by all vice-presidents and the President and CEO. With the financial statements, an analytic review is provided in order to explain variances between actual and budget.
- Quarterly financial statements are reviewed and annual financial statements are audited by external auditors. These statements, along with all related documents, are reviewed by members of the audit committee and approved by the board of directors.

As a conclusion, the Company will communicate with the different consolidated subsidiaries' presidents and controllers the results of the evaluation conducted in 2008 and will proceed with implementing the required additional controls to ensure an even better control environment.

12.2.2. Segregation of duties

The Company had deficient controls within its accounting and finance department relating to segregation of duties inherent to its size. Specifically, as a result of the limited number of personnel in the accounting and finance department, certain financial personnel had incompatible duties that allowed for the creation, review and processing of certain financial data without independent review and authorization.

To mitigate that risk, we continue to implement improved monitoring systems, other procedures to prevent occurrence of frauds, properly assign roles and responsibilities to employees to maximize segregation of duties within the limited environment, and rely on procedures and controls as described in the previous section (see 14.2.1 "Entity level controls").

It should be noted that some of the weaknesses mentioned above are related to the size of the Company and to integration of the acquired Pure Group companies during the past year. Management is nevertheless committed to establishing effective internal controls over financial reporting and as such will continue to refine existing controls and implement additional controls as deemed necessary.

13. SELECTED RISKS

This section presents the most important risks associated with ProSep's business operations and is periodically reviewed by Management and overseen by the Board of Directors. During the quarter ended March 31, 2009 risks and proposed remedies and risk management practices have not materially changed. Refer to the previous interim and 2008 annual MD&A for a complete list of risks and proposed remedies.

Head Office:

1155 Wellington Street
Montreal, Quebec
H3C 1V9 Canada
Tel: 514-522-5550
Fax: 514-522-2643
www.prosepinc.com

International Operations:

ProSep Technologies, Inc	ProPure AS	ProSep AP Sdn. Bhd.
5353 W. Sam Houston Pkwy N., Ste 150 Houston, TX 77041 USA Ph: (281) 504-2040 Fax: (281) 598-2688 Toll-free: (866) 377-8788	Kokstaddalen 4 P.O. Box 106 5863 Bergen, Norway Tel: +47 55 52 94 00 Fax: +47 55 52 94 01 **ProPure ME SPC** Trust Tower, 3rd Floor Building No.125, Road No.1702 P.O.Box 2215 Diplomatic Area, Manama Bahrain +973 16 500 705, switchboard +973 16 500 646, office direct +973 396 48 184, mobile +973 17 532 114 telefax	(Formerly Pure Group Asia Pacific) Unit 19A-10-2, Wisma UOA No 19 Jalan Pinang 50450 Kuala Lumpur, Malaysia Tel: +603 2715 6680 Fax: +603 2715 6670

Transfer Agent and Registrar:
Computershare
1500 University Street
Montreal, Quebec
H3A 3S8 Canada
www.computershare.com

ProSep Inc. is traded on the Toronto Stock Exchange under the symbol "PRP"