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**PRESS RELEASE
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PROSEP ANNOUNCES \$2.7 MILLION CONTRACT FOR WATER INJECTION SYSTEM

MONTREAL, QUEBEC – October 11, 2011 - ProSep Inc. (TSX: PRP) ("ProSep" or the "Company"), dedicated to providing process solutions to the oil and gas industry, today announced it was awarded its first contract for the design and supply of a water injection system. Valued at \$2.7 million, this equipment will be installed on a floating production storage and offloading (FPSO) vessel in South East Asia. Delivery is expected to occur before the second half of 2012.

«We recently hired a team of seasoned engineers and business development professionals to expand our offering and improve our customer reach. This award marks a significant success of this new strategy. Our new team of seawater treatment and water injection experts was quickly able to leverage ProSep's field expertise and technology development knowhow," said Jacques L. Drouin, President & CEO.

To further expand its portfolio of process solutions, ProSep recently launched a customized seawater treatment and water injection offering. ProSep is now one of the few companies that can provide the oil & gas industry with treatment equipment at every stage of upstream processing.

Water injection is mainly used for Enhanced Oil Recovery (EOR), allowing for increased production in wells that are nearing the end of their primary production life. Prior to being injected, seawater is treated by removing contaminants and oxygen. ProSep's seawater treatment and water injection equipment requires low maintenance while providing high removal efficiency. Due to its compact size, it represents an ideal solution for offshore applications. ProSep can provide complete design, fabrication, and start-up support to meet customer requirements.

About ProSep

ProSep is a technology-focused process solutions provider to the upstream 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.prosep.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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