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**PRESS RELEASE
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PROSEP AWARDED GAS TREATMENT CONTRACT VALUED AT \$3 MILLION

- First contract awarded to newly formed venture with South-Korea's Kolon Group -

MONTREAL, QUEBEC – February 2, 2012 - ProSep Inc. (TSX: PRP) ("ProSep" or the "Company"), dedicated to providing process solutions to the oil and gas industry, today announced that its majority owned South-Korean joint venture company ProSep Kolon Company Limited ("ProSep Kolon"), was awarded a contract for the supply of a utility gas treatment system valued at \$3.3 million. The customer is a South-Korean engineering firm selected to perform engineering, procurement and construction ("EPC") of a gas processing facility in Saudi Arabia. Delivery is expected to occur in January 2013.

"This contract marks the first significant commercial success of our newly formed South-Korean joint venture," said Jacques L. Drouin, President and CEO. "With the support of Kolon Group, one of Korea's most recognized industrial group, we are in a unique position to serve the growing oil and gas engineering and ship building industries in South Korea and China."

The scope of supply comprises a nitrogen generation system and a cryogenic liquid nitrogen storage and vaporization system. Nitrogen generation systems allow the production of dry nitrogen from compressed feed air. ProSep's systems are custom designed to suit customer specifications and site-specific conditions and requirements. This highly efficient equipment is conceived using state-of-the-art hollow fiber membrane technology. The Company's nitrogen generation systems are easy to install, require low frequency maintenance, and offer adjustable purity.

About Kolon Group

Started in 1954 as a Nylon textile maker, Kolon has since diversified into specialty chemicals, construction and other areas that have lead to the rapid growth and fast development of the Korean economy. Today, it operates twelve subsidiaries and nineteen liaison offices outside of Korea and generates over \$10 billion in its three core business domains. For more information, please visit www.kolon.com/english.

About ProSep and ProSep Kolon

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. ProSep Kolon Company Limited is a Korea-based joint venture Company between ProSep Inc. and Kolon Group. This partnership was initiated in December 2010 and ProSep Inc. owns 51% of its share capital. 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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