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**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

PROSEP CONCLUDES \$11.1 MILLION PRIVATE PLACEMENT

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MONTREAL, QUEBEC – October 14, 2011 - ProSep Inc. (TSX: PRP) ("ProSep" or the "Company"), dedicated to providing process solutions to the oil and gas industry, today announced that it has closed a tranche of its private placement of common shares of the Company ("Common Shares") previously announced on October 6, 2011. ProSep issued an aggregate of 163,346,459 Common Shares to Investissement Québec ("IQ"), Cycle Capital Fund I, L.P. ("Cycle"), Fondation, le Fonds de développement de la Confédération des Syndicats Nationaux pour la coopération et l'emploi ("Fondaction"), Flint Energy Services Ltd. ("Flint"), and certain members of executive management of ProSep ("Management"), at a purchase price of \$0.06825 per Common Share for total gross proceeds of \$11,148,396.

The Company will use the net proceeds from the private placement for commercialization, business development and general working capital purposes.

As a result of the private placement:

- IQ holds 65,934,066 Common Shares, representing 18.5% of the issued and outstanding Common Shares;
- Cycle now holds 71,169,790 Common Shares, representing 19.98% of the issued and outstanding Common Shares;
- Fondaction now holds 71,171,548 Common Shares, representing 19.98% of the issued and outstanding Common Shares;
- Flint holds 29,304,029 Common Shares, representing 8.2% of the issued and outstanding Common Shares;
- Management participating in the private placement now holds an aggregate of 4,704,264 Common Shares, representing 1.3% of the issued and outstanding Common Shares.

The Company has relied on the financial hardship exemption included in Multilateral Instrument 61-101 to be exempted from the requirement for a formal valuation and a minority shareholder approval. The Toronto Stock Exchange ("TSX") has also granted the Company an exemption from the requirement to obtain shareholders' approval for the private placement, in accordance with Section 604(e) of the TSX Company Manual in consideration of the serious financial circumstances of the Company.

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.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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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