

PROSEP CONCLUDES PARTNERSHIP WITH LARGE KOREAN DIVERSIFIED GROUP

- Secures \$2 million financing to fund this venture -

MONTREAL, QUEBEC – December 8, 2010 – ProSep Inc. (TSX:PRP) ("ProSep" or the "Company"), dedicated to providing process solutions to the oil and gas industry, today announced that it expects to enter into, within the next week, a Joint Venture Agreement with the chairman and controlling shareholder of Kolon Group, a large South-Korea-based integrated construction, chemical and advanced materials company and Korea's largest water treatment group. Operating under the name of ProSep Kolon Company Limited ("ProSep Kolon"), this new joint venture initiative will commercialize ProSep's process solutions to the growing Korean and Chinese oil and gas supply industries.

"Because of its growing reputation for highly competitive engineering and fabrication knowhow, Korea has become one of the world's leading engineering, procurement and construction markets serving the global oil and gas industry. By joining hands with one of the country's most recognized industrial groups and creating Korea's first technology-focused process equipment provider, we expect to quickly penetrate this promising market," said Jacques L. Drouin, president and CEO.

To fund this initiative, ProSep concluded a private placement subscription agreement with Kolon Glotech Inc. ("Kolon Glotech"), a wholly-owned subsidiary of Kolon Group Inc., a \$7 billion revenue company constituted under the laws of the Republic of Korea. The private placement consists of a 5-year convertible unsecured subordinated debenture (the "Debenture") in the principal amount of CAD\$1,009,300 (the equivalent of US\$1 million) bearing interest at a rate of 5% per annum. The Debenture will mature on December 7, 2015 (the "Maturity Date") and will be convertible at the holder's option into common shares of ProSep at any time prior to the Maturity Date at a conversion price of \$0.13 per share. Net proceeds from the private placement will be used to fund the acquisition of a 51% interest in ProSep Kolon, a joint stock company incorporated under the laws of the Republic of Korea.

In addition to the private placement by Kolon Glotech, Kolon Group's Chairman Mr. Woong Yeol Lee contributed the equivalent of US\$1 million in Korean won to subscribe for 49% of the common shares of ProSep Kolon. Proceeds will be used for general and working capital purposes of ProSep Kolon.

ProSep Kolon's board and management team include industry professionals from both ProSep and Kolon Group. ProSep Kolon will engage in the business of manufacturing and commercializing ProSep's process solutions to separate oil, gas and water to the Korean and Chinese engineering procurement and construction firms ("EPC") engaged in the upstream oil and gas industry.

About Kolon Group

Started in 1954 as a Nylon textile maker, Kolon has since diversified into specialty chemicals, construction and other areas that have led 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 about \$7 billion in its three core business domains. For more information, please visit www.kolon.com/english.

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 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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