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**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

PROSEP ANNOUNCES CLOSING OF \$4.2 MILLION PRIVATE PLACEMENT AND APPOINTMENT OF NEW BOARD MEMBER

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MONTREAL, QUEBEC – December 21, 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 private placement of units of the Company ("Units") previously announced on December 6, 2011. ProSep issued an aggregate of 61,909,921 Units to Truffle Capital S.A.S. ("Truffle Capital") at a price of \$0.06825 per Unit for total gross proceeds of \$4,225,352. Each Unit is comprised of one common share in the share capital of the Company (each a "Common Share") and 0.40 common share purchase warrant of the Company (each full warrant, a "Warrant"). Each Warrant will entitle Truffle Capital to acquire one Common Share at a price of \$0.06825 per Common Share and is valid for a period of twenty-four months.

The gross proceeds of \$4,225,352 were invested by Truffle Capital in shares of a wholly-owned subsidiary of ProSep, which were paid in Euros and exchanged for 61,909,921 Units upon closing of the private placement. Proceeds of the private placement will be used for the Company's commercialization, business development and general working capital purposes.

As a result of the private placement, Truffle Capital holds 61,909,921 Common Shares, representing approximately 14.8% of the issued and outstanding Common Shares of ProSep.

The Common Shares, including the Common Shares issuable upon exercise of the Warrants underlying the Units, will be subject to a four-month hold period from the date of closing of the private placement. A cash commission of €300,000 was paid in connection with this private placement.

The Company is also pleased to announce the appointment of Mr. Jean-François Fourt, Co-founder and Managing Partner of Truffle Capital, as a member of the board of directors of ProSep, effective as of today.

With over 20 years of entrepreneurship in Silicon Valley, Mr. Fourt created his first company in 1983, realized his first initial public offering in 1993 and created the first successful cleantech companies in Europe. He is the founder and Chairman of Osead, a Truffle Capital portfolio company specializing in the exploration and extraction of raw mineral resources. He is a Board member of 2-B Energy, Acerde, Actility, Dietswell (Alternext Paris: ADIE), Eco-Carbone, Maisons Oregon, Neelogy, NG2, SP3H and Watteco, all Truffle Capital portfolio companies. Mr. Fourt holds a Master of Business Administration from San Francisco State University (USA), a Graduate Engineering degree from Ecole Nationale Supérieure de Chimie de Toulouse (France) and a Master in biochemistry (biomass to biofuels) from Institut National Polytechnique de Toulouse (France).

About Truffle Capital

Founded in 2002 in Paris, Truffle Capital is a leading independent European private equity firm dedicated to investing in and building technology leaders in the IT, life sciences and energy sectors. With close to €500 million under management through 12 FCPI (“Fonds Communs de Placement dans l’Innovation”) and 3 FCPR (“Fonds Communs de Placement à Risques”), Truffle Capital is led by a team of four partners (Jean-François Fourt, Henri Moulard, Philippe Pouletty and Bernard-Louis Roques) with successful investment and entrepreneurial experience in both Europe and North America. Truffle Capital aims to achieve superior financial returns by leveraging its industry knowledge, extensive network, operational experience and focus on spin-outs to identify business opportunities that match latent market needs. Since its inception, Truffle Capital has invested in 47 companies, out of which 80% are based in France. For further information, please visit www.truffle.com and www.fcpi.fr.

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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