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**PRESS RELEASE
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PROSEP ANNOUNCES \$1.8 MILLION IN NEW CONTRACTS

MONTREAL, QUEBEC – July 5, 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 \$1.8 million in new contracts to supply a produced water treatment system for installation on a deepwater Gulf of Mexico facility and crude dehydration equipment for two oil sands facilities located in Alberta, Canada.

“The Gulf of Mexico and the Canadian Oil Sands represent new and promising territories for ProSep. With sustained high crude prices, increasing production challenges and regulation, demand for our process equipment continues to grow,” said Jacques L. Drouin, President & CEO.

The produced water treatment system to be supplied to a deepwater GOM facility consists of hydrocyclones and induced gas flotation (IGF) equipment, designed to treat 40,000 BPD of produced water to less than 20 ppm oil in water. The equipment is expected to be delivered early 2012.

The crude dehydration systems consist of engineering services and internals for one free-water knock-out (FWKO) vessel and two thermal electrostatic treaters designed to dehydrate 15 API crude to 0.5% basic sediment and water (BS&W) outlet oil specification. The equipment is expected to be delivered by early 2012 to two oil sands facilities located in Alberta, Canada. This contract was awarded through a commercial alliance with Edmonton-based engineering and manufacturing company Thermo Design (TDE).

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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