

# 2011 FIRST QUARTER FINANCIAL RESULTS

Conference Call – May 11<sup>th</sup>, 2011



Together creating pure  
oil, gas and water.

# FORWARD-LOOKING STATEMENTS

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Certain statements contained in this presentation constitute forward-looking information within the meaning of securities laws.

Implicit in this information, particularly in respect of future operating results and economic performance are assumptions regarding projected revenues and expenses. These assumptions, although considered reasonable at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operating results and economic performance are subject to a number of risks and uncertainties, including general economic, market and business conditions and could differ materially from what is currently expected.

For more exhaustive information on these risks and uncertainties you should refer to our most recently filed Annual Information Form, Quarterly and Annual Management Discussion and Analysis which are available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this document is based on management's current estimates, expectations and projections, which Management believes are reasonable as of the current date. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date.

## **REPORTING CURRENCY:**

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

# 2011 FIRST QUARTER HIGHLIGHTS

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## FINANCIAL

- \$9.9 million in revenues (5% increase compared to Q1 2010 and first quarterly y-o-y revenue increase in three years)
- Gross margin of \$2.2 million (22% of revenues) vs \$2.6 million (27%) in Q1 2010
- EBITDA of (\$2.3 million) vs (\$0.7 million) in Q1 2010
- Net loss of \$3.0 million vs net loss of \$1.4 million in Q1 2010
- \$19 million current backlog, an increase of 70% y-o-y and 150% from year-end
- Concluded a \$2.5 million revolving credit facility with Fondaction

# 2011 FIRST QUARTER HIGHLIGHTS

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## OPERATIONS

- \$23 million in new contracts
- Sale of largest offshore gas dehydration system in South East Asia
- Hired key industry figures
- Commercialization of the Company's offering to the South Korean FPSO market with the ProSep Kolon joint venture
- Completion of Phase IV development and testing of the ProDry with successful results (with Total, Statoil, ConocoPhillips)
- Obtained ISO certification for the Asia-Pacific, Korean and European Operations. Ongoing at American Operations
- Appointed Claude Samson, CA, MBA, as Chief Financial Officer and Corporate Secretary
- Promoted Gustav Wee to manage the European and Middle-Eastern Operation
- Hired Carl Nilsson as Manager, Process Engineering and Product Development
- Maintained outstanding Total Recordable Incident Rate at all operations.

# SELECTED FINANCIAL HIGHLIGHTS

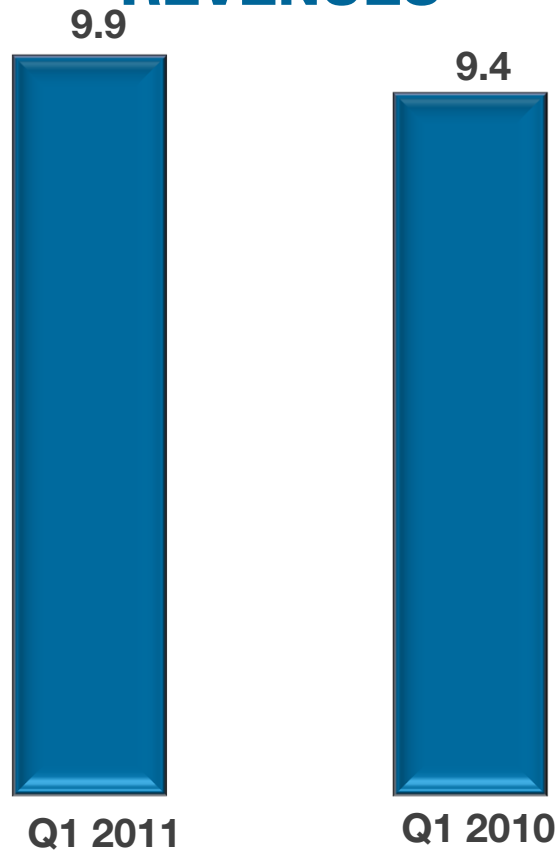
Millions of CAD	Quarter ended March 31	
	2011	2010
Revenues	\$9.9	\$9.4
Gross margin*	\$2.2	\$2.6
Gross margin as a percentage of revenues	22%	27%
EBITDA* (loss)	(\$2.3)	(\$0.7)
Net loss	(\$3.0)	(\$1.3)
Basic and diluted loss per share	(\$0.02)	(0.01)
Weighted average number of shares	191,798,008	163,255,910
<b>As at:</b>	<b>March 31, 2011</b>	<b>December 31, 2010</b>
Working capital (deficit)	(\$1.5)	\$3.9
Total assets	\$47.2	\$46.1
Borrowings	\$8.9	\$10.4
Equity	\$16.6	\$20.1

\*EBITDA is a non-IFRS financial measure and the Company defines it as earnings or loss from operations excluding depreciation and amortization, financial charges and income taxes. Gross margin is defined by the Company as excluding depreciation and amortization expenses and as such is also a non-IFRS financial measure Please refer to section called non-IFRS financial measures in the MD&A.

# FINANCIALS

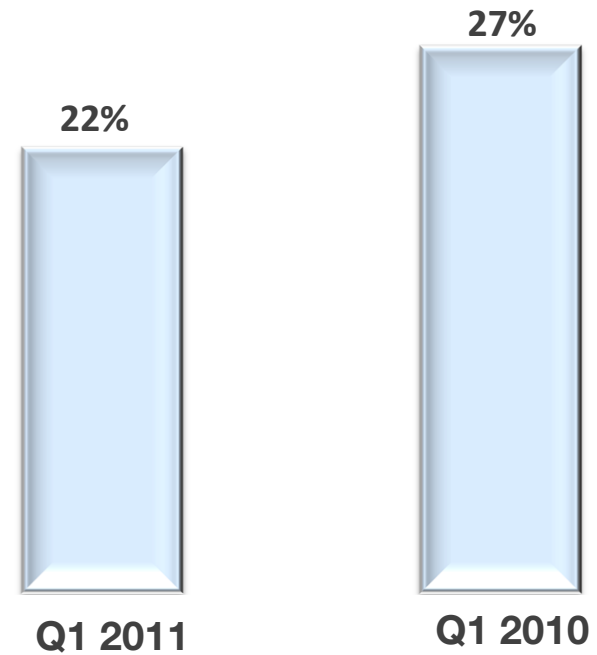
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## REVENUES



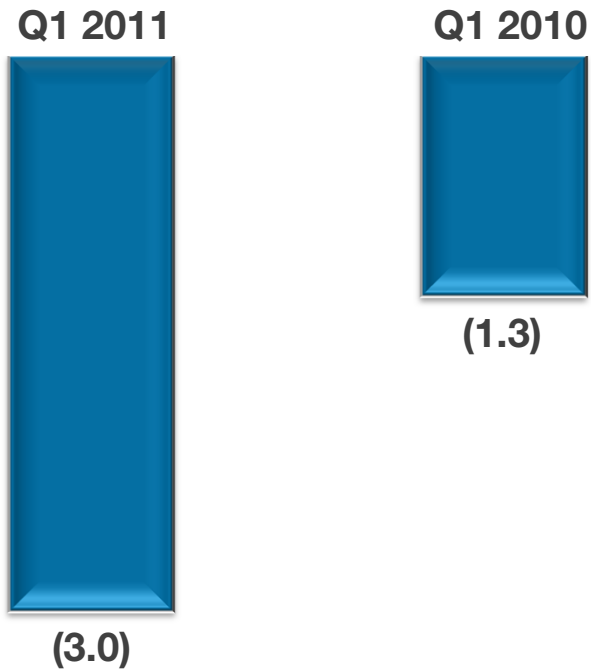
(in CAD millions)

## GROSS MARGIN

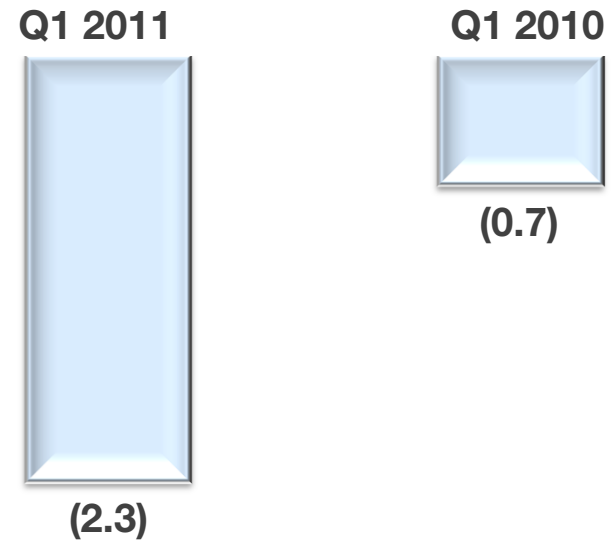


# FINANCIALS (CONTINUED)

## NET LOSS



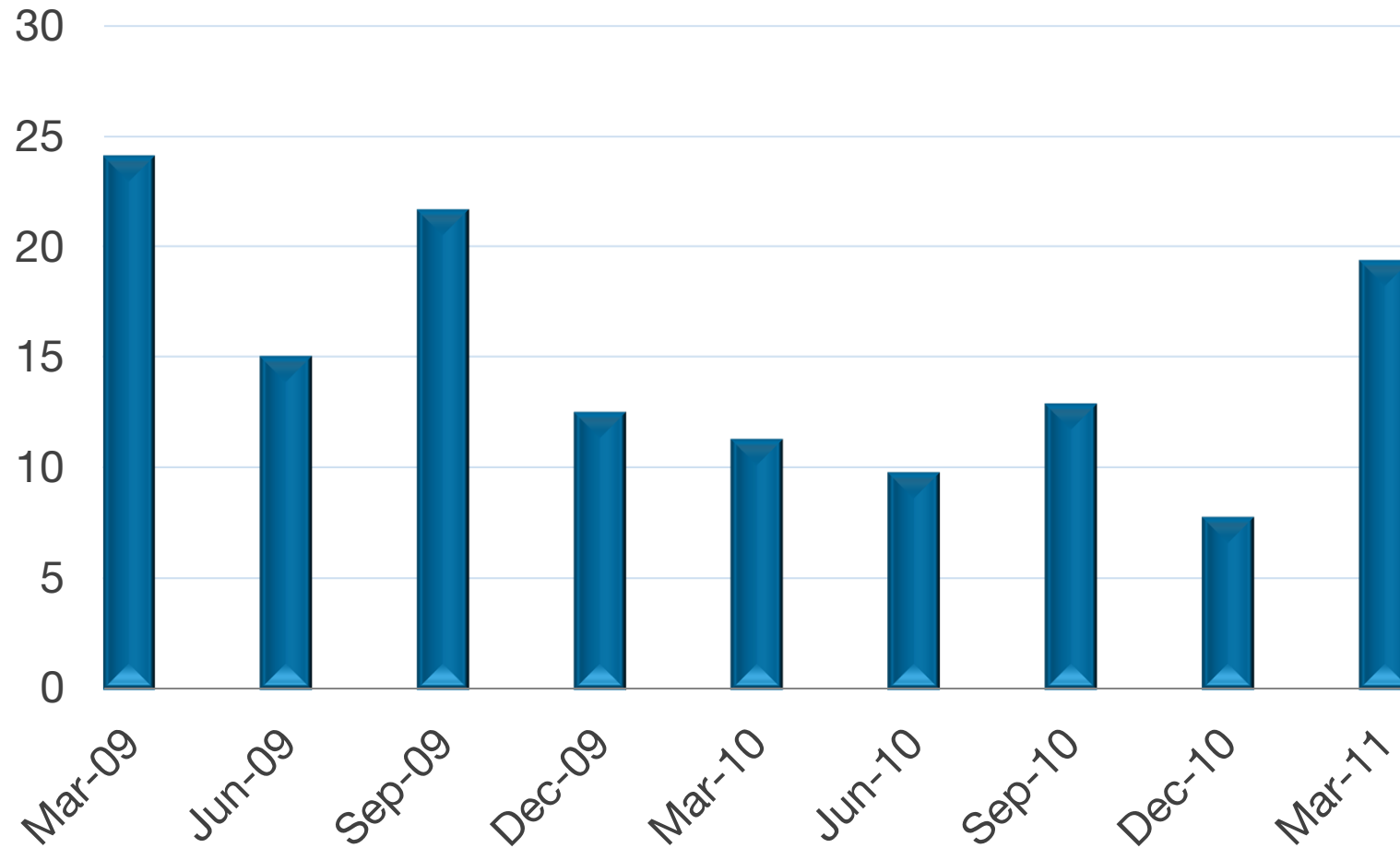
## EBITDA



(in CAD millions)

# BACKLOG

## QUARTERLY BACKLOG



(in CAD millions)

# Together Creating Pure OIL GAS and WATER



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KOREA

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