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Xebec receives its first Chinese order for a biogas upgrading plant

WELtec BioPower selects XEBEC for Wuxi biogas-to-CNG project

SHANGHAI, CHINA, July 7, 2010 - Xebec Adsorption Inc. (TSX: XBC) ("Xebec"), a provider of biogas upgrading, natural gas and hydrogen purification solutions for the clean energy market, announced today that it will supply a biogas upgrading plant to WELtec BioPower GmbH ("WELtec") for a novel biogas project located in Wuxi, China.

"We are extremely pleased to work with WELtec on this groundbreaking project in China. WELtec is a world leading supplier of advanced anaerobic digestion systems, having supplied over 200 digesters to projects world-wide," said Andrew Hall, Xebec's Vice President of Asia Pacific Operations. "China has the potential to become one of the largest markets worldwide for commercial scale biogas projects, and this order is a successful example of our strategy of partnering with leading digester suppliers that are focused on the emerging Chinese market.

"This order is an important milestone for Xebec for a number of reasons. Firstly, it is Xebec's first order for a biogas upgrading plant for the Chinese market and is one of the first biogas projects producing renewable compressed natural gas (CNG) vehicle fuel from agricultural waste in China. As such it is an important reference project for the development of similar biogas-to-CNG projects across China," Hall added.

"Secondly, we are supplying a fully integrated solution, including Xebec's proprietary biogas upgrading technology integrated with a compact CNG compression and dispensing system. Our customers are increasingly looking for a 'plug and play' solution to produce fuel-ready CNG from raw biogas, and we have expanded our product offering to include all the equipment required to purify biogas, compress and dispense CNG in a single compact skid-mounted solution," Hall said.

In January 2010, WELtec announced that it had sold an integrated biogas generation and energy production plant to a Chinese investor located in Wuxi. In the project, biogas will be generated from pig manure and waste rice straw in two proprietary anaerobic digesters supplied by WELtec. Biogas generated from this waste will either be upgraded in Xebec's plant to produce CNG vehicle fuel or to generate electricity using a 375 kW biogas engine installed on-site. Renewable CNG from the plant will be used as fuel for a fleet of CNG-fueled forklifts in a nearby factory as well as sold to commercial natural gas customers in the Wuxi area.

About Xebec Adsorption Inc.

Xebec Adsorption Inc. is a global provider of clean energy solutions to corporations and governments looking to reduce their carbon footprints. With more than 1300 customers worldwide, Xebec designs, engineers and manufactures innovative products that transform raw gases into marketable sources of clean energy. Xebec's strategy is focused on establishing leadership positions in markets where demand for biogas upgrading, natural gas dehydration and hydrogen purification is growing. Headquartered in Montreal (QC), Xebec is a global company with two state-of-the-art manufacturing facilities in Montreal and Shanghai, an R&D facility in Vancouver (BC) as well as a sales and distribution network in North America, Asia and Europe. Xebec trades on the TSX under the symbol XBC. For additional information on the company and its products and services, please visit the Xebec web site at www.xebecinc.com.

About WELtec BioPower GmbH

WELtec BioPower® plans and produces complete biogas plants made of stainless steel and distributes them world-wide: With more than 60 employees, WELtec has realized more than 200 plants all over Europe (Sweden, Netherlands, England, Scotland, France, Czech Republic, Luxembourg, Greece, Lithuania, Hungary), the United States and even on Cyprus and in Japan. WELtec BioPower has been so successful that it has evolved into the world market leader of this segment over the past few years. No other manufacturer has enjoyed as much success abroad as WELtec BioPower®.

To further build on this success, WELtec BioPower® has established subsidiaries to handle customer requirements on a local level in England, the U.S., and several Eastern European countries. For further information on WELtec, please visit the company's web site at www.weltec-biopower.com.

Caution Concerning Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking" statements within the meaning of applicable securities laws. This forward looking information includes, but is not limited to, the expectations and/or claims of management of Xebec with respect to information regarding the business, operations and financial condition of Xebec. Forward-looking information contained in this press release involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xebec or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This list is not exhaustive of the factors that may affect forward-looking information contained in this press release. When used in this press release, such statements use such words as "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "will" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements.

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