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Xebec Announces Significant Contract With Major Western Canadian Energy Utility

MONTREAL (QC), July 28, 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 it has signed a significant contract to build a complete biogas upgrading plant for Terasen Gas, a major energy utility in western Canada.

"Xebec strives to establish strategic partnerships with leading Canadian utilities to move forward our vision to be a North American leader in clean energy solutions," said Kurt Sorschak, Xebec President and CEO. "Terasen Gas is our second major contract in North America in just a few months and demonstrates we are making progress at a pace that keeps us on track with our strategy to deliver fully integrated gas plant projects instead of providing just the components. This step level change in strategy enhances our revenue potential, strategically in line with the way the company intends to grow revenue and increase market share."

The Canadian plant will be installed at a landfill site in B.C. to upgrade biogas to biomethane which will then be injected into the utility's natural gas grid for residential uses such as home heating and cooking. The biogas plant features the latest generation of Xebec's proprietary rapid-cycle pressure swing adsorption (PSA) technology, including its user friendly advanced control and monitoring software. Both the upgrading plant and the residential biogas service offering are currently pending approval by the British Columbia Utilities Commission as part of a broader Terasen Gas biomethane program.

"As one of the first utility companies in Canada to include alternative energy solutions as part of its regulated energy service offerings, providing British Columbians with renewable alternative energies, like biogas, makes good sense. It is a natural extension of the piped energy services we've delivered for over a century," said Doug Stout, Vice President, Energy Solutions and External Relations, Terasen Gas and FortisBC. "This biogas upgrading plant will have the potential to recover gas from the landfill, upgrade it to biomethane and effectively create 26,000 gigajoules of natural gas per year, enough to heat approximately 300 homes."

"Our systems provide significant benefits to owners and operators, including high volume gas recovery, high gas purity and low operating power consumption, all while maintaining 98 percent plant availability," Sorschak added. "In addition, Xebec systems use a safe, dry upgrading process with virtually zero environmental and fugitive emissions. Customers also can save money on project installations because Xebec upgrading plants come in skid-mounted models requiring minimal site installation. Our advanced operating software provides ease of control and a fast dynamic response to changes in feed gas conditions,

increasing gas recovery and revenue while monitoring continuous gas quality,” said Kurt Sorschak.

Commissioning and start up is expected to take place in early 2011. Terms of the agreement were not disclosed.

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.

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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