



A world powered
by clean energy

Xebec announces its 2010 second quarter financial results

MONTREAL (QC), August 12, 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 its 2010 second quarter financial results.

Financial Highlights

For the three and six-month periods ended June 30 (unaudited)				
(in dollars)				
	Q2 2010	Q2 2009	YTD Q2 2010	YTD Q2 2009
Revenues	4,141,617	4,303,256	6,133,267	9,010,635
Net loss	(2,961,715)	(677,237)	(6,140,926)	(482,559)
Basic and diluted loss per share	(0.10)	(0.06)	(0.21)	(0.05)

Other Recent Highlights

- XEBEC continues to execute its announced business strategy as a leading provider of complete biogas upgrading solution evolving from a manufacturer of components;
 - Eight new sales agreements signed in North-America, Europe and Asia since the beginning of the year for the manufacturing and delivery of new systems over the course of the next 12 months.
 - Order backlog amounts to a record level at \$11.7 million as at August 10, 2010
 - Agreements include:
 - A cooperation agreement with China-based Qingdao Tianren to supply biogas purification equipment to produce compressed natural gas (CNG) vehicle fuel from biomass in China.
 - A multi-year supply agreement, including a first multi-unit purchase order from Nuvera Fuel Cells, a leading supplier of fuel cells and hydrogen re-fueling systems in the US and Europe.; and
- On April 8, 2010, the Company announced the appointment of Ginette Gagné to the position of Vice-President and Chief Financial Officer.

Commenting the quarterly results, Mr. Kurt Sorschak, President and Chief Executive Officer of Xebec said: "The agreements signed in recent months and the amount and composition of our current backlog demonstrate that we are successfully managing our growth as a turnkey provider of complete biogas upgrading solutions. We intend to multiply new agreements and further position XEBEC as a leading provider of innovative gas solutions mainly targeting the vast and rapidly growing market of clean energy used as transportation fuel. "

Financial Results

Xebec posted revenues of \$4.1 million for the second quarter of 2010, a 3.8% decrease compared to \$4.3 million in the second quarter of 2009. For the six-month period ended June 30, 2010, total revenues were \$6.1 million compared to \$9.0 million for the same 2009 period. The decline can be attributed to the Company's decision to cease activities in specific Middle East markets and the development of its new business model.

The net loss for the second quarter of 2010 totaled \$3.0 million, or \$0.10 per share, compared to a net loss of \$0.7 million, or \$0.06 per share for the same 2009 period, reflecting primarily a \$1.2 million decline in gross profit and a \$0.7 million increase in selling and administrative costs. The net loss for the six-month period ended June 30, 2010, totaled \$6.1 million, or \$0.21 per share, compared to a net loss of \$0.5 million or \$0.05 per share for the same 2009 period, resulting mainly from a \$2.7 million decline in gross profit and a \$1.9 million increase in selling and administrative costs.

Xebec's gross profit for the second quarter of 2010 amounted to \$0.4 million, down from \$1.6 million for the same 2009 period, resulting mainly from the withdrawal from specific Middle East markets. Gross profit for the six-month period ended June 30, 2010, amounted to \$0.7 million compared to \$3.4 million for the same 2009 period. The decrease also mainly results from the withdrawal from specific Middle East markets, revenue recognition methodology and a one-time purchase price allocation adjustment of \$0.3 million.

Selling and administrative expenses were \$2.6 million for the second quarter of 2010, compared to \$1.9 million for the same 2009 period. For the six-month period ended June 30, 2010, selling and administrative expenses were \$5.1 million compared to \$ 3.2 million for the corresponding 2009 period. The year-over-year increase is mainly attributable to increases in staff and facilities as a result of the QuestAir acquisition, the addition of the UK facility and additional costs associated with being a public company.

As at June 30, 2010, the Company's cash on hand totaled \$2.3 million, compared to \$5.1 million as at March 31, 2010 and \$5.4 million as at December 31, 2009.

Outlook

XEBEC intends to pursue business opportunities in renewable energy projects. It intends to deliver its current and growing backlog of long-term projects. Xebec's believes its complete product and services offering, global presence and strong customer relationships in key markets have favorably positioned it to exploit market opportunities fully.

2010 Second Quarter Financial Statements and Management's Discussion and Analysis

The complete financial statements, notes to financial statements and Management's Discussion and Analysis for the three and six-month periods ended June 30, 2010, are available on the Company's Website at www.xebecinc.com or on the SEDAR Website at www.sedar.com.

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 mainly used as transportation fuel. Xebec's strategy is focused on establishing leadership positions in markets where demand for biogas upgrading, natural gas dehydration liquefaction 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.

For more information, please contact:

Kurt Sorschak
President and CEO
450-979-8701
ksorschak@xebecinc.com

Ginette Gagné
Vice President, Finance and CFO
450-979-8721
ggagne@xebecinc.com