



## **Bennett Environmental Inc. Announces Q1 Results**

**Oakville ON, May 13, 2010, For Immediate Release** – Bennett Environmental Inc. (TSX:BEV) (the "Company" or "BEI") today announced its results for the period ending March 31, 2010. Revenue for the quarter was \$11.1 million, earnings before income taxes were \$6.6 million and net earnings were \$4.9 million. Earnings per share were \$0.17 on a fully diluted basis.

As announced May 7, 2010 the Company completed its bought deal underwriting led by Jennings Capital Inc. and including Cormark Securities Inc. raising gross proceeds of \$25 million. Further information can be found in the Company's May 7, 2010 press release.

Mr. Christopher Wallace, Chairman of the Board, stated "The Q1 results continue to reflect the strong earnings potential of BEI and justify the confidence displayed by investors in the recent underwriting."

Mr. Jack Shaw, President and CEO, has the following comments "Beginning in Q2 of 2009 and gathering momentum over the last three quarters the Company has produced financial results which have considerably strengthened our balance sheet. This, in turn, has supported confidence in the Company's future prospects as demonstrated by the recently completed underwriting. While our remedial activity will continue to exhibit earning swings we fully intend to use our financial capability to diversify the business. We have previously announced this intention and continue to evaluate opportunities. The recent equity issue enhances both our ability and credibility to make a meaningful acquisition."

As I have noted previously the operating efficiency of our Saint Ambroise facility measured by throughput and uptime continues to be a testament to the quality of our operating team and the technology. We expect to continue processing inventory with only minor stoppages for required maintenance.

Our policy with respect to announcing future projects has been to announce projects when there is virtual certainty that the material will be received at Saint Ambroise. This is typically well after the Request for Proposal process and after contracts have been awarded. At this time the Company does not have new projects that meet this criteria."

During the quarter the Company recognized future income tax expense of \$1.9 million. At the end of 2009 the Company recognized a future tax asset on its balance sheet. This future tax asset represented the taxes that would otherwise have been payable on the earnings that would be generated in the future by the processing of the soil in inventory on December 31, 2009. The future tax asset was drawn from tax losses that the Company had incurred but which were not previously recognized as it was not clear that the Company would be in a position to utilize them. The future income tax expense incurred in the quarter will reduce the future tax asset. Barring an increase in soil inventories in subsequent periods, additional future income tax expense will be recognized and the future tax asset will be reduced.

The Company also made the following comments on its results, with fuller discussion in the Management Discussion and Analysis available on <http://media3.marketwire.com/docs/BennettMDAQ110.pdf> and Interim Consolidated Financial Statements available on <http://media3.marketwire.com/docs/BennettIFSQ110.pdf>.

The Company recognizes revenue after material has been processed. Amounts and holdbacks receivable pertain to unpaid invoices for processed materials only.

### **Forward Looking Statements**

*Certain statements contained in this press release and in certain documents incorporated by reference into this press release constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and "confident" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. BEI believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this press release should not be unduly relied upon. These statements speak only as of the date of this press release. BEI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **About Bennett Environmental Inc.**

Bennett Environmental Inc. is a North American leader in high temperature treatment services for the treatment of contaminated soil and has provided thermal solutions to contamination problems throughout Canada and the U.S. Bennett Environmental's technology provides for the safe, economical and permanent solution to contaminated soil. Independent testing has consistently proven that the technology operates well within the most stringent criteria in North America. For information, please visit the Bennett Environmental website at: [www.bennettenv.com](http://www.bennettenv.com).

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# BENNETT ENVIRONMENTAL INC.

Interim Consolidated Balance Sheets  
(Unaudited)  
(Expressed in Canadian dollars)

	March 31, 2010	December 31, 2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 39,264,122	\$ 17,645,459
Restricted cash (note 3)	10,570	865,918
Amounts receivable (note 5)	655,517	10,215,767
Holdbacks receivable (note 6)	5,251,971	3,029,363
Prepaid expenses and other	407,825	446,104
Future income tax asset	2,060,238	3,915,650
	<u>47,650,243</u>	<u>36,118,261</u>
Property, plant and equipment	8,266,298	8,424,518
Assets under capital leases	391,470	412,074
Assets held for sale (note 4)	2,675,532	2,675,532
	<u>\$ 58,983,543</u>	<u>\$ 47,630,385</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,932,258	\$ 5,710,496
Liabilities related to assets held for sale (note 4)	510,322	475,532
Income taxes payable	2,080,958	2,087,079
Deferred revenue	14,868,755	7,286,897
Current portion of long-term liabilities (note 9)	259,322	565,258
Current portion of lease obligations	135,905	135,316
	<u>21,787,520</u>	<u>16,260,578</u>
Long-term liabilities (note 9)	2,850,847	2,912,430
Long-term portion of lease obligations	195,131	229,330
Shareholders' equity:		
Share capital (note 11)	73,463,840	71,949,963
Contributed surplus	4,197,946	4,244,554
Share purchase warrants (note 12)	-	429,056
Accumulated deficit	(43,511,741)	(48,395,526)
	<u>34,150,045</u>	<u>28,228,047</u>
Future operations (note 1)		
Contingencies (note 16)		
Subsequent events (note 18)		
	<u>\$ 58,983,543</u>	<u>\$ 47,630,385</u>

These interim consolidated financial statements do not include accompanying notes. A complete set of interim consolidated financial statements including notes is available on <http://media3.marketwire.com/docs/BennettIFSQ110.pdf>.

# BENNETT ENVIRONMENTAL INC.

Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended March 31,	
	2010	2009
Sales	\$ 11,148,377	\$ 437,185
Expenses:		
Operating costs	2,954,764	903,975
Administration and business development	1,368,575	1,340,291
Depreciation and amortization	253,787	439,314
Foreign exchange	(1,686)	(12,107)
Interest	26,229	41,315
	<u>4,601,669</u>	<u>2,712,788</u>
Earnings (loss) before the undernoted	6,546,708	(2,275,603)
Other income, including interest	42,536	19,267
Earnings (loss) before income taxes	<u>6,589,244</u>	<u>(2,256,336)</u>
Income taxes (recovery):		
Current	(149,953)	67,684
Future	1,855,412	-
	<u>1,705,459</u>	<u>67,684</u>
Net earnings (loss) for the period, being comprehensive income (loss)	<u>\$ 4,883,785</u>	<u>\$ (2,324,020)</u>
Net earnings (loss) from operations per common share (note 14)		
Basic	\$ 0.17	\$ (0.09)
Diluted	0.17	(0.09)

These interim consolidated financial statements do not include accompanying notes. A complete set of interim consolidated financial statements including notes is available on <http://media3.marketwire.com/docs/BennettIFSQ110.pdf>

# BENNETT ENVIRONMENTAL INC.

Interim Consolidated Statements of Accumulated Deficit and Other Comprehensive Loss  
(Unaudited)  
(Expressed in Canadian dollars)

	Three months ended March 31,	
	2010	2009
Accumulated deficit and other comprehensive loss, beginning of period	\$ (48,395,526)	\$ (63,708,930)
Net earnings (loss) for the period	4,883,785	(2,324,020)
Accumulated deficit and other comprehensive loss, end of period	\$ (43,511,741)	\$ (66,032,950)

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# BENNETT ENVIRONMENTAL INC.

Interim Consolidated Statements of Cash Flows  
(Unaudited)  
(Expressed in Canadian dollars)

	Three months ended March 31,	
	2010	2009
Cash provided by (used in):		
Operations:		
Net earnings (loss) from continuing operations	\$ 4,883,785	\$ (2,324,020)
Items not involving cash:		
Depreciation and amortization	253,787	439,314
Stock-based compensation	32,513	155,589
Foreign exchange related to U.S. Department of Justice accrual	(78,074)	100,550
Future income tax expense	1,855,412	-
Accretion interest	9,942	-
Changes in non-cash operating working capital	12,928,573	5,566,100
Repayment of long-term liabilities	(19,750)	-
<b>Cash provided by operating activities</b>	<b>19,866,188</b>	<b>3,937,533</b>
Financing:		
Cash provided by (used for) financing activities		
Repayment of lease obligations	(33,610)	-
Issuance of share capital due to exercise of stock options	120,100	-
Issuance of share capital due to exercise of warrants	885,600	-
<b>Cash provided by financing activities</b>	<b>972,090</b>	<b>-</b>
Investments:		
Cash provided by (used for) investing activities		
Change in restricted cash	855,348	(39,120)
Purchase of property, plant and equipment	(74,963)	(26,382)
<b>Cash provided by (used in) investing activities</b>	<b>780,385</b>	<b>(65,502)</b>
Increase in cash and cash equivalents	21,618,663	3,872,031
Cash and cash equivalents, beginning of period	17,645,459	2,602,692
<b>Cash and cash equivalents, end of period</b>	<b>\$ 39,264,122</b>	<b>\$ 6,474,723</b>
Supplemental cash flow information:		
Interest paid	\$ 7,705	\$ 7,688
Income taxes paid	-	22,676
Income tax refund	149,953	168,862

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