

BENNETT Environmental Announces Q2 Results

Oakville, Ontario, July 30, 2002 - BENNETT Environmental Inc., a North American leader in the high temperature treatment of contaminated soils, announces a Q2 profit of \$1,119,145 or \$0.07 per basic share on revenue of \$7,405,649. Q2 2002 shows significant growth in business from \$3,783,727 in revenue and \$289,174 in net income from a year earlier. For the first six months of this year, revenues of \$20,238,779 and net income of \$4,780,251 far exceed the previous year's comparable results of \$6,713,568 in revenues and \$358,064 in earnings.

"I believe our results in the quarter were at the low end of expectations, said John Bennett, Chairman and CEO of BENNETT Environmental. The planned maintenance shutdown coupled with delays in shipments of soil from two accounts resulted in a longer than planned shutdown. We took the opportunity at this time to complete extensive maintenance and re-engineering at our facilities in Quebec. The results will be to increase productive capacity to permitted levels and reduce operating costs and downtime in the future." Peter Richardson, President of BENNETT Environmental added, "the trucks are rolling, the plant is now operating at full capacity, we've completed all our planned maintenance for 2002 and we're building a backlog of soil at the plant. We are confident that we can achieve our revenue and EPS targets of \$45M - \$50M Cdn. (\$29M - \$32M US) and \$0.85 - \$0.93 Cdn per share (\$0.55 - \$0.60 US) respectively this year."

Recently announced events include:

- The company signed a labour agreement with its employees at the St. Ambroise treatment facility ensuring five years of labour stability.
- The final Environmental Assessment and permit application was submitted in early June for approval of a proposed facility in Kirkland Lake. The permit application is on schedule for approval by the end of 2002.
- The company completed a three for two stock split for shareholders of record on July 9, 2002. The increase in the number of outstanding shares is expected to improve liquidity and marketability of the company's shares.
- On May 16, the company announced a \$40 million contract for Phase II of the Federal Creosote superfund project. Shipments from this project are currently being received at the plant and will continue until Q1 2003.
- Department of National Defence recently gave BENNETT a letter of intent worth \$29.3 million for the clean up of contaminated soils at Saglek Labrador. Once the letter of intent is finalized, work will commence and will be completed by 2004.
- Including the Saglek project, the company has a current backlog of \$90 million Cdn. (\$58 million US)

Results of Operations

Bennett Environmental had a Q2 profit of \$1,119,145 or \$0.07 per basic share versus a profit of \$289,174 or \$0.02 per share in the corresponding period last year. Revenues were \$7,405,649 in the quarter versus \$3,783,727 for Q1 2001. Revenues were substantially higher than the same period last year but down from the previous quarter's revenue of \$12,833,130 due to an extended shutdown for maintenance and shipment delays.

The Company's operating costs of \$3,914,177 for the second quarter, were higher than the \$2,191,372 for the same period last year and reflect the higher plant utilization in the quarter. Administrative and business development costs of \$1,196,827 for the quarter, were slightly lower than the \$1,274,313 incurred in Q1 2001. Due to fluctuations in the value of the US dollar at the end of the quarter, the company incurred a \$386,128 foreign exchange loss. The company believes that this loss will be substantially offset in subsequent quarters. The company incurred \$608,626 of income tax expense for the quarter and has been in a taxable position since Q3 2001.

The company's cash position has increased with cash on hand of \$13,684,375 at the end of the quarter, up by \$10,644,295 from \$3,040,080 at the end of December 2001. Receivables balance of \$4,965,301 is down from the \$9,810,018 outstanding at the end of December 31 2001 and reflects the lower level of sales activity in the quarter versus Q4 2001. The company's net working capital position at March 31, 2002 increased to \$14,998,179 from the net working capital position of \$8,981,200 at December 31, 2001. During the quarter the company invested \$411,257 in permitting acquisition costs for the proposed new plant in Kirkland Lake, \$255,357 in new plant equipment at Saint Ambrose and \$300,000 in a joint venture investment with Pluricapital Inc. to establish an environmentally friendly wood treatment facility. No purchases of the company's common shares were made under the Normal Course Issuer Bid in the quarter.

About Bennett Environmental Inc.

Bennett Environmental Inc. is a North American leader in high temperature treatment services for the remediation of contaminated soil and has provided thermal solutions to contamination problems throughout Canada and the US. Bennett Environmental's proprietary 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.

Bennett Environmental is listed on the Toronto Stock Exchange (Trading Symbol "BEV") and the American Stock Exchange (Trading Symbol "BEL"). For information, please visit the Bennett Environmental website at www.bennettenv.com, or contact John Bennett at the Vancouver office (604) 681-8828 or Peter Richardson at the Oakville office (905) 339-1540.

Note for Investors:

This news release includes statements about expected future events and/or financial results that are forward looking in nature and subject to risks and uncertainties. For those statements, we claim the protection of the safe harbour for forward-looking statements provisions contained in the Private Litigation Reform Act of 1995. The company cautions that actual performance will be affected by a number of various factors, many of which are beyond the company's control. Discussions of the various factors that may affect future results are contained in the company's filings with the Securities and Exchange Commission and Ontario Securities Commission.

BENNETT ENVIRONMENTAL INC.

Consolidated Balance Sheets

(Expressed in Canadian dollars)

As at June 30, 2002 with comparative figures

As at December 31, 2001

	June 30 2002	December 31 2001
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 13,684,375	\$ 3,040,080
Accounts receivable	4,965,301	9,810,018
Work-in-progress	103,807	1,703,057
Prepaid expenses and other	626,020	153,222
	<u>19,379,503</u>	<u>14,706,377</u>
Investment	440,000	-
Capital assets, net of amortization	12,131,512	12,008,247
Other assets, net of amortization	3,680,090	2,722,466
	<u>\$ 35,631,105</u>	<u>\$ 29,437,090</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,533,511	\$ 3,266,594
Income taxes payable	1,866,809	1,092,581
Current portion of long-term debt	1,271,682	1,178,942
	<u>4,672,002</u>	<u>5,538,117</u>
Future income tax liability	1,285,667	1,077,525
Deferred revenue	149,322	187,060
Long-term debt	1,457,725	1,958,957
Shareholders' equity		
Share capital	23,412,842	20,820,249
(Common shares outstanding 16,400,541 (2001 - 15,544,261))		
Paid-in capital	18,113	-
Retained Earnings (Deficit)	4,635,434	(144,818)
	<u>28,066,389</u>	<u>20,675,431</u>
	<u>\$ 35,631,105</u>	<u>\$ 29,437,090</u>

BENNETT ENVIRONMENTAL INC.

 Consolidated Statement of Operations and
 Deficit

(Expressed in Canadian dollars)

 For the Six-Month Period Ended June 30, 2002 with comparative figures for the Six-Month Period Ended June 30, 2001, and
 the Three-Month Period Ended June 30, 2002 with the comparative figures for the Three-Month Period Ended June 30, 2001

	6 months		3 months	
	June 30, 2002	June 30, 2001	June 30, 2002	June 30, 2001
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales	\$ 20,238,779	\$ 6,713,568	\$ 7,405,649	\$ 3,783,727
Interest and other income	378,808	184,995	188,776	146,823
	20,617,587	6,898,563	7,594,425	3,930,550
Expenses				
Operating costs	9,173,278	3,791,516	3,914,177	2,191,372
Administration and business development	2,957,877	2,035,456	1,196,827	1,274,313
Amortization	609,787	491,792	285,013	251,580
Foreign exchange	386,128	102,326	386,128	(186,441)
Interest expenses	121,219	119,409	84,509	110,552
	13,248,289	6,540,499	5,866,654	3,641,376
Earnings before income taxes	7,369,298	358,064	1,727,771	289,174
Income tax expense				
Current	2,380,905	-	457,425	-
Future	208,142	-	151,201	-
	2,589,047	-	608,626	-
Net earnings	4,780,251	358,064	1,119,145	289,174
Retained Earnings (Deficit), beginning of period	(144,817)	(4,806,590)	3,516,289	(4,802,904)
Shares purchased in excess of assigned value	-	(65,204)	-	-
Retained Earnings (Deficit), end of period	\$ 4,635,434	\$ (4,513,730)	\$ 4,635,434	\$ (4,513,730)
Basic earning per share	\$ 0.30	\$ 0.02	\$ 0.07	\$ 0.02
Fully diluted earnings per share	\$ 0.28	\$ 0.02	\$ 0.06	\$ 0.02

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

For the Six-Month Period Ended June 30, 2002 with comparative figures for the Six-Month Period ended June 30, 2001, and the Three-Month Period Ended June 30, 2002 with the comparative figures for the Three-Month Period Ended June 30, 2001

	6 months		3 months	
	June 30, 2002	June 30, 2001	June 30, 2002	June 30, 2001
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH PROVIDED BY (USED IN):				
Operations				
Net earnings	\$ 4,780,251	\$ 358,064	\$ 1,119,145	\$ 289,174
Items not involving cash				
Amortization	609,787	491,792	285,013	251,580
Loss of disposal of assets	-	17,366	-	17,366
Stock-based compensation	18,113	-	18,113	-
Unrealized foreign exchange gain	-	14,781	-	(107,767)
Future income taxes	208,142	-	151,201	-
Deferred revenue	(37,738)	(72,502)	128,195	(18,659)
	5,578,555	809,501	1,701,667	431,694
Change in non-cash operating working capital				
Accounts receivable	4,844,717	(2,225,845)	3,983,287	(1,023,630)
Income taxes receivable	-	344,977	-	344,977
Work-in-progress	1,599,250	-	1,103,434	-
Prepaid expenses and other	(472,798)	(402,354)	386,301	(190,460)
Accounts payable and accrued liabilities	(1,733,083)	43,408	(362,950)	257,510
Income taxes payable	774,228	-	61,354	-
	5,012,314	(2,239,814)	5,171,426	(611,603)
Financing Activities				
Repayments of long-term debt	(408,491)	(141,299)	(224,671)	(122,898)
Share capital, issued for cash	2,592,593	442,498	1,667,118	-
Repurchase of share capital	-	(133,140)	-	279,998
	2,184,102	168,059	1,442,447	157,100
Investing Activities				
Investments	(440,000)	-	-	-
Purchase of capital assets	(733,052)	(518,250)	(255,357)	(306,336)
Increase in other assets	(957,624)	(473,137)	(711,257)	(224,922)
	(2,130,676)	(991,387)	(966,614)	(531,258)
Increase (Decrease) in cash and cash equivalents	10,644,295	(2,253,641)	7,348,926	(554,067)
Cash and cash equivalents, beginning of period	3,040,080	3,758,336	6,335,449	2,058,762
Cash and cash equivalents, end of period	\$ 13,684,375	\$ 1,504,695	\$ 13,684,375	\$ 1,504,695