

Bennett Environmental Inc. Reports Second Quarter Profit

Oakville Ontario, August 14, 2001 – Bennett Environmental Inc., a North American leader in the thermal treatment of contaminated soils, announces a profit of \$289,174 or \$0.03 per share for the second quarter on revenues of \$3,783,727. This compares favourably to a loss of (\$369,396) or (\$0.04) for the same period in 2000.

“Our company has continued to gain momentum through the quarter,” said Peter Richardson, President of Bennett Environmental. “Several of the major contracts previously announced started to ship into the plant late into the second quarter. These shipments are now in full swing and we expect to see significant revenue and earnings increases throughout this year and into 2002. We remain committed to our projection of approximately \$25 million in revenue for this year.”

“We expect to achieve record revenues this year, demand for our services remains high,” said John Bennett, CEO of Bennett Environmental. Our current backlog of around \$38 million in contracts will carry us through into next year and with expected contract renewals and new contracts that we are currently working with customers to finalize, we are confident that we will meet our 2002 revenue target of \$40 million.”

Recent corporate announcements include:

- A significant favourable regulatory change within the Province of Quebec, whereby the regulations concerning the landfilling of contaminated soils have been harmonized with those in the US. These new regulations take effect in January 2002 and will require contaminated soil to be treated in facilities such as Bennett Environmental’s St. Ambroise plant prior to landfilling. The impact of the new regulations has not yet been factored into the Company’s 2002 revenue projections.
- A new listing on the American Stock Exchange (AMEX) under the symbol “BEL” which will increase the liquidity of shares held by US shareholders.

Results of Operations

Bennett Environmental had a profit of \$289,174 or \$0.03 per share versus a loss of (\$369,396) or (\$0.04) per share for the corresponding period last year. Revenues were \$3,783,727 in the quarter versus \$3,490,168 for Q1 2000. On a year to date basis, revenues of \$6,713,568 and earnings of \$358,064, were up from revenue of \$4,554,061 and earnings of (\$830,842) for the same period in 2000.

The Company’s operating costs of \$3,791,516 for the first six months of 2001, were higher than the \$3,008,230 for the same period last year and reflect the higher sales driven capacity utilization. Administration and business development costs of \$1,274,313 for the quarter are below the level of \$1,728,485 for the same period last

year. During Q2 2000, one-time write-offs of \$645,000 were made for bad debts and acquisition costs. Foreign exchange gains of \$186,441 in the quarter partially offset losses in the first quarter as the Canadian dollar strengthened against US dollar denominated loans and foreign exchange contracts.

Cash and receivables of \$6,735,454 at the end of the first quarter remain relatively unchanged from \$6,763,250 at the end of December 2000 and up from \$6,265,891 at the end of the first quarter. The Company's net working capital position at June 30, 2001 was \$5,383,379 virtually unchanged from the net working capital position of \$5,381,735 at December 31, 2001. The Company's net working capital position should be sufficient to meet the Company's obligations and capital requirements for the next 12 months. The Company has no plans to raise additional capital at this time.

About Bennett Environmental Inc.:

Bennett Environmental is a North American leader in thermal 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 Thermal Oxidizer 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 trades on the Toronto Stock Exchange ("BEV"), American Stock Exchange ("BEL") and the Frankfurt Stock Exchange ("BEW").

For further information, please visit the Bennett Environmental website at www.bennettenv.com or contact John Bennett at our Vancouver office (604) 681-8828 or Peter Richardson at our 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 harbor 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 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, the Ontario Securities Commission and SEDAR.

BENNETT ENVIRONMENTAL INC.

Consolidated Balance Sheets
 (Expressed in Canadian dollars)
 As at June 30, 2001 with comparative figures
 As at December 31, 2000

	June 30 2001	December 31 2000
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,504,695	\$ 3,758,336
Accounts receivable	5,230,759	3,004,914
Income taxes receivable	10,023	355,000
Prepaid expenses and other	681,126	278,772
	<u>7,426,603</u>	<u>7,397,022</u>
Future income taxes	322,218	322,218
Capital assets, net of amortization	10,269,289	10,184,194
Other assets, net of amortization	2,152,681	1,755,547
	<u>\$ 20,170,791</u>	<u>\$ 19,658,981</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,556,172	\$ 1,512,764
Current portion of long-term debt	487,052	502,523
	<u>2,043,224</u>	<u>2,015,287</u>
Deferred revenue	842	73,345
Long-term debt	2,864,981	2,976,027
Shareholders' equity		
Authorized:		
Issued and outstanding:		
10,120,138 (December 31, 2000 - 10,036,314)		
Share capital	19,775,474	19,400,912
Deficit	(4,513,730)	(4,806,590)
	<u>15,261,744</u>	<u>14,594,322</u>
	<u>\$ 20,170,791</u>	<u>\$ 19,658,981</u>

See accompanying notes to consolidated financial statements.

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Operations and Deficit

(Expressed in Canadian dollars)

For the Six-Month Period Ended June 31, 2001 with comparative figures for the Six-Month Period Ended June 31, 2000, and the Three-Month Period Ended June 30, 2001 with the comparative figures for the Three-Month Period Ended June 30, 2000

	6 months		3 months	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales	\$ 6,713,568	\$ 4,554,061	\$ 3,783,727	\$ 3,490,168
Interest and other income	184,995	375,555	146,823	244,592
	<u>6,898,563</u>	<u>4,929,616</u>	<u>3,930,550</u>	<u>3,734,760</u>
Expenses				
Operating costs	3,791,516	3,008,230	2,191,372	2,401,975
Administration and business development	2,035,456	2,606,431	1,274,313	1,728,485
Amortization	491,792	508,132	251,580	257,774
Foreign exchange	102,326	-	(186,441)	(896)
Interest expenses	119,409	18,893	110,552	6,063
	<u>6,540,499</u>	<u>6,141,686</u>	<u>3,641,376</u>	<u>4,393,401</u>
Earnings (Loss) before income taxes	358,064	(1,212,070)	289,174	(658,641)
Income tax expense (recovery)				
Current	-	48,017	-	-
Future	-	(429,245)	-	(289,245)
	<u>-</u>	<u>(381,228)</u>	<u>-</u>	<u>(289,245)</u>
Net earnings (loss)	358,064	(830,842)	289,174	(369,396)
Deficit, beginning of period	(4,806,590)	(1,715,835)	(4,802,904)	(2,177,281)
Shares purchased in excess of assigned value	(65,204)	(526,635)	-	(526,635)
Deficit, end of period	<u>\$ (4,513,730)</u>	<u>\$ (3,073,312)</u>	<u>\$ (4,513,730)</u>	<u>\$ (3,073,312)</u>
Basic earning (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.08)</u>	<u>\$ 0.03</u>	<u>\$ (0.04)</u>
Fully diluted earnings (loss) per share	<u>\$ 0.03</u>	<u>\$ (0.08)</u>	<u>\$ 0.02</u>	<u>\$ (0.04)</u>
Weighted average number of shares (Basic)	10,049,919	10,301,685	10,070,066	10,276,944
Weighted average number of shares (Fully diluted)	11,318,404	11,154,088	11,424,434	11,130,226

See accompanying notes to consolidated financial statements.

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

For the Six-Month Period Ended June 31, 2001 with comparative figures for the Six-Month Period Ended June 31, 2000, and the Three-Month Period Ended June 30, 2001 with the comparative figures for the Three-Month Period Ended June 30, 2000

	6 months		3 months	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH PROVIDED BY (USED IN):				
Operations				
Net earnings (loss)	\$ 358,064	\$ (830,842)	\$ 289,174	\$ (369,396)
Items not involving cash				
Amortization	491,792	508,132	251,580	257,774
Write-off of deferred acquisition costs	-	325,478	-	352,247
Loss of disposal of assets	17,366	-	17,366	-
Unrealized foreign exchange gain	14,781	-	(107,767)	-
Future income taxes	-	(429,245)	-	(289,245)
Deferred revenue	(72,502)	(177,914)	(18,659)	(249,840)
	809,501	(604,391)	431,694	(298,460)
Change in non-cash operating working capital				
Accounts receivable	(2,225,845)	(1,291,069)	(1,023,630)	(1,284,043)
Income taxes receivable	344,977	-	344,977	-
Prepaid expenses and other	(402,354)	(483,550)	(190,460)	127,180
Accounts payable and accrued liabilities	43,408	(279,823)	257,510	1,028,011
Income taxes payable	-	(171,067)	-	-
	(2,239,814)	(2,225,509)	(611,603)	(128,852)
Financing Activities				
Repayments of long-term debt	(141,299)	(339,169)	(122,898)	(82,714)
Increase to long-term debt	-	-	-	-
Share capital, issued for cash	442,498	752,561	279,998	-
Repurchase of share capital	(133,140)	(526,635)	-	(88,600)
	168,059	(113,243)	157,100	(171,314)
Investing Activities				
Deposits and deferred acquisition costs	-	-	-	-
Investments	-	(500,000)	-	-
Purchase of capital assets	(518,250)	(310,422)	-	-

			(306,336)	(235,938)
Increase in other assets	(473,137)	(422,266)	(224,922)	(244,521)
	(991,387)	(1,232,688)	(531,258)	(480,459)
Decrease in cash and cash equivalents	(2,253,641)	(4,175,831)	(554,067)	(1,079,085)
Cash and cash equivalents, beginning of period	3,758,336	11,291,509	2,058,762	8,194,763
Cash and cash equivalents, end of period	<u>\$ 1,504,695</u>	<u>\$ 7,115,678</u>	<u>\$ 1,504,695</u>	<u>\$ 7,115,678</u>

See accompanying notes to consolidated financial statements.

Supplementary disclosure of cash flow information:

Cash paid for:

Interest paid	119,409	18,893	110,552	6,063
Income taxes paid	4,933	265,242	4,933	62,730

Note:

These interim financial statements follow the same accounting policies and methods of their applications as the most recent annual financial statements. There has been no change in accounting policy method, investment policy. These interim financial statements should be reading conjunction with the most recent annual financial statements.