

**September 30, 2000**  
**3<sup>rd</sup> Quarter Results**

<b>Summary of Results</b>				
	<b>Year To Date 9 months to September 30, 00</b>	<b>Three months Ended September 30, 00</b>	<b>Year To Date 9 months to September 30, 99</b>	<b>Three months Ended September 30, 99</b>
Revenues	\$ 6,290,859	\$ 1,361,243	\$ 16,775,973	\$ 9,476,442
Net income (loss)	(1,179,903)	(349,061)	4,304,794	2,567,805
Earnings (loss) per share	(0.11)	(0.03)	0.42	0.25

Bennett Environmental Inc. announces a loss for the nine months ended September 30, 2000 of (\$1,179,903) or (\$0.11) per common share, on revenues of \$6,290,859 compared to net earnings of \$4,304,794 or \$0.42 per share in the corresponding period of 1999. For the three months ended September 30, 2000 the company lost (\$349,061) or (\$0.03) per share, compared to an income of \$2,567,805, or \$0.25 per share in the corresponding quarter of 1999. The reason for this loss was the decline in treatment revenues, due to competition from landfills. Proposed regulations restricting the disposal of these soils in landfills when enacted will result in increased revenues for Bennett.

As previously reported, management set a new direction for the company and its marketing strategy to build strategic alliances with leading US national and regional environmental service companies. Management has continued to execute this strategy. Since the end of the second quarter, Bennett has entered into strategic alliances with two of North America's leading environmental service companies, IT Corp. and Onyx, the environmental business of Vivendi. The Company has also entered in to other alliances in its primary market in the North Eastern US.

**HIGHLIGHTS FOR THE QUARTER**

- **Strategic National Alliance – IT Corporation**  
Bennett has entered into a strategic alliance with IT Corporation ("IT Corp") of Monroeville, Pennsylvania, USA. IT Corp. is one of the largest site remediation companies in the world with revenues in excess of US\$1.3 billion, and has over 80 offices located throughout the U.S. Under the arrangement, Bennett will reserve for IT Corp., on a priority basis, 150,000 tons of soil treatment capacity over a five-year term (30,000 tons per year). IT Corp. has committed to either deliver a minimum of 100,000 tons over the term of this agreement, or compensate Bennett for up to US \$3 million over the five-year period, for not utilizing the reserved capacity. In addition, Bennett has agreed to purchase incineration equipment from IT Corp. worth \$3.5 million, which Bennett intends to retrofit and use in its expansion plans and the planned Kirkland Lake facility.
- **New Contracts – \$2.4 Million**  
Bennett has entered into new contracts totaling \$2.4 million. Included in these contracts is an ongoing contract to treat contaminated soils for the Dorval Airport, in Montreal Quebec. Other contracts have been entered into with various companies, and government agencies and departments.
- **Resolution Island**  
Bennett's treatment facility has been selected as the technology of choice for the remediation of the PCB contaminated soils at the former Distant Early Warning ("DEW") radar site. The contract, worth an estimated \$8 million is subject to Nunavut Environmental Review Board (NERB) and Ministerial approval. Bennett expects the decisions from the NERB and the Ministry within a few weeks.

- **Head Office Relocation**

Bennett intends to move the balance of its operations from Vancouver to Toronto by May 2001. The Company has already relocated management and sales people in Toronto. The remaining corporate functions will be transferred to Toronto early in 2001.

**RESULTS OF OPERATIONS**

Bennett Environmental Inc. lost (\$1,179,903) or (\$0.11) per share for the nine months ended September 30, 2000, compared to a net earnings of \$4,304,794 or \$0.42 per share in the corresponding quarter of 1999. The Company has generated revenues to date of \$6,290,859, a decrease of \$10,485,114 over the corresponding period in 1999. The Company has a contract and committed backlog of over \$5.9 million, which is expected to be completed during the balance of the year 2000, and through 2001.

The Company's operating costs have increased due to increased fuel prices and higher per unit labour costs at the RSI facility. To maintain its crew of experienced personnel, the company has avoided layoffs at the RSI facility, even during those times that the treatment facility was not operational. Sales and marketing expenses included in the General and Administration expenses have increased by \$966,628 as a result of the substantial increase in marketing efforts by the company, and previously reported write-offs of \$667,228 for bad debts and deferred acquisition costs during the second quarter 2000. The company has adopted the new CICA standards for income taxes, and has recorded an asset for the expected future value of the income tax losses.

During the nine months ended September 30, 2000, the Company reduced the non-current portion of its long-term debt by \$624,423. This has reduced the company's total long-term debt to \$413,187 compared to a long-term debt of \$1,037,610 at the end of September 1999.

The Company's cash and money market assets totaled \$7,081,595, an increase of \$2,176,346 over the corresponding quarter in 1999. Total working capital was \$8,552,301, compared with \$8,659,177 for the corresponding quarter in 1999. During the third quarter, the Company repurchased 20,000 common shares at a cost of \$80,400 through The Toronto Stock Exchange under the previously announced Normal Course Issuer Bid.

Bennett Environmental Inc., is listed on the Toronto Stock Exchange ("BEV"), and trades on the Frankfurt Stock Exchange ("BEW"). For further information, please visit the BEI web site at: [www.bennettenv.com](http://www.bennettenv.com), or contact Mr. John Bennett (604) 681-8828, or the toll-free investor line at (877) 277-4002 ext. 6.

On Behalf of the Board of Directors of  
BENNETT ENVIRONMENTAL INC.:

"John Bennett"

JOHN BENNETT  
CHIEF EXECUTIVE OFFICER

NEWS RELEASE

BENNETT ENVIRONMENTAL INC.

Financial Statements  
(Unaudited – Prepared by Management)

Nine month period ended September 30, 2000 and 1999

# BENNETT ENVIRONMENTAL INC.

Consolidated Balance Sheets

As at September 30, 2000 with comparative figures

As at September 30, 1999

	September 30 2000 (unaudited)	September 30 1999 (unaudited)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 7,081,595	\$ 4,905,249
Accounts receivable	2,084,895	6,185,090
Prepaid expenses	417,221	50,606
	<u>9,583,711</u>	<u>11,140,945</u>
Future or Deferred income taxes	876,184	-
Deposits and deferred acquisition costs	62,694	350,756
Investments	500,000	-
Capital assets	5,459,897	5,242,223
Other assets	1,553,639	1,011,330
	<u>\$18,036,125</u>	<u>\$17,745,254</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$1,013,155	\$2,324,837
Current portion of long-term debt	18,255	156,931
	<u>1,031,410</u>	<u>2,481,768</u>
Deferred revenue	309,297	702,564
Long-term debt	413,187	1,037,610
Shareholders' equity		
Share capital	19,785,004	17,341,977
Shares repurchased for cancellation	(80,400)	(66,400)
Deficit	(3,422,373)	(3,752,265)
	<u>16,282,231</u>	<u>13,523,312</u>
	<u>\$18,036,125</u>	<u>\$17,745,254</u>
Number of Common shares outstanding	10,240,114	9,729,550

# BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Operations and Deficit

For the Nine-Month Period Ended September 30, 2000 with comparative figures for  
the Nine-Month Period Ended September 30, 1999

	September 30 2000 (unaudited)	September 30 1999 (unaudited)
Sales	\$5,819,385	\$16,775,973
Interest and other income	471,474	24,982
	<u>6,290,859</u>	<u>16,800,955</u>
Expenses		
Operating costs	3,637,804	8,658,504
General, administration and marketing	3,520,691	2,554,063
Amortization of capital assets and other assets	777,599	776,470
Interest expenses	31,581	185,560
Foreign exchange	12,447	18,128
	<u>7,980,122</u>	<u>12,192,725</u>
Loss before income taxes	(1,689,263)	4,608,230
Income tax expense (recovery)		
Current	48,017	3,011
Future	(557,377)	300,425
	<u>(509,360)</u>	<u>303,436</u>
Net loss	(1,179,903)	4,304,794
Deficit, beginning of period	(1,715,835)	(7,916,259)
share purchase in excess of average value	(526,635)	(140,800)
Deficit, end of period	<u>\$(3,422,373)</u>	<u>\$(3,752,265)</u>
Earning (loss) per share	<u><u>\$(0.11)</u></u>	<u><u>\$0.42</u></u>

# BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Cash Flow

For the Nine-Month Period Ended September 30, 2000 with comparative figures for  
the Nine-Month Period Ended September 30, 1999

	September 30 2000 (unaudited)	September 30 1999 (unaudited)
<b>CASH PROVIDED BY (USED IN):</b>		
Operations		
Net loss	\$(1,179,903)	\$4,304,794
Items not involving cash		
Amortization	777,599	776,470
Future or Deferred income taxes	(557,377)	-
Increase Deferred revenue	59,157	(165,875)
	<u>(900,524)</u>	<u>4,915,389</u>
Change in non-cash operating working capital		
(Increase)/Decrease Accounts receivable	176,637	(3,397,000)
(Increase)/Decrease Prepaid expenses	(343,787)	104,613
Increase/(Decrease) Accounts payable and accrued liabilities	(913,472)	571,190
Decrease Income taxes payable	(171,067)	-
	<u>(1,251,689)</u>	<u>(2,721,197)</u>
Financing Activities		
Issuance of convertible debentures	-	(1,454,256)
Decrease in paid-in capital on new convertible debentures	-	(226,801)
Repayments of long-term debt	(408,566)	(304,767)
Share capital, issued for cash	672,161	5,170,284
Share issue costs	-	(236,578)
Repurchase of share capital	(526,635)	(140,800)
Special warrants	-	(1,425,000)
	<u>(263,040)</u>	<u>1,382,082</u>
Investing Activities		
Deposits and deferred acquisition costs	312,114	(196,366)
Investments	(500,000)	-
Purchase of capital assets	(974,711)	(545,683)
Increase in other assets	(632,064)	-
	<u>(1,794,661)</u>	<u>(742,049)</u>
Decrease in cash and cash equivalents	(4,209,914)	2,834,225
Cash and cash equivalents, beginning of period	<u>11,291,509</u>	<u>2,071,024</u>
Cash and cash equivalents, end of period	<u>\$7,081,595</u>	<u>\$4,905,249</u>

Supplementary disclosure of cash flow information:

Non-cash transactions:

Capital assets acquired through capital lease and vendor financing	-	-
Shares issued for subscriptions receivable	-	-
Shares issued for special warrants	-	-
Cash paid for		
Interest	23,993	101,627
Income taxes	48,017	3,011

# BENNETT ENVIRONMENTAL INC.

## Notes to Consolidated Financial Statements

Nine Month Period ended September 30, 2000 and 1999

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### **1. Interim Financial Statements:**

The unaudited consolidated interim financial information was prepared using accounting principles and practices consistent with those used and described in the annual financial statements, except as noted below.

### **2. Income taxes:**

On January 1, 2000, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Section 3465, Income Taxes, which modifies the accounting for income taxes. The new standard requires the use of the asset and liability method for accounting for income taxes.

Previously, the Company followed the deferral method of accounting for income taxes, which related the provision for income taxes to the accounting income for the period. Under the deferral method, the amount by which the income tax provision differed from the amount of income taxes currently payable was considered to represent the deferring to future periods of benefits obtained or expenditures incurred in the current period. The accumulated income tax allocation debit or credit balance was not adjusted to reflect subsequent changes in income tax rates. Also, under the deferral method, tax benefits, related to accounting losses, could only be recognized in the period the loss was incurred if there was virtual certainty of realizing these benefits.

The Company has adopted Section 3465 retroactively without restatement of the comparative figures. There is no effect on the prior period's retained earnings as a result of the change