

BENNETT Environmental Announces Q3 Results

Oakville, Ontario, October 18, 2002 - BENNETT Environmental Inc., a North American leader in the high temperature treatment of contaminated soils, announces a Q3 profit of \$2,306,240 or \$0.14 per basic share on revenue of \$9,057,125. Q3 2002 shows significant growth in business from \$6,572,998 in revenue and \$1,448,447 in net income from a year earlier. For the first nine months of this year, revenues of \$29,295,904 and net income of \$7,086,491 far exceed the previous year's comparable results of \$13,480,211 in revenues and \$1,806,511 in earnings.

"I believe our results in the quarter met expectations", said John Bennett, Chairman and CEO of BENNETT Environmental. "As outlined in our Q2 investor conference call on July 30 and again in a BENNETT Update press release on August 13, the planned maintenance shutdown coupled with delays in shipments of soil from two accounts resulted in a four-week non-operational period this quarter. Let me assure you that the engineering changes made to the plant over this period are paying off. Plant uptime over the last two months has exceeded expectations. Soil continues to flow into the plant from several projects including a competitively won project in Vancouver. The Company expects that the continuing flow of soil into the plant will significantly exceed the plant capacity resulting in a large backlog by year-end to carry us through well into 2003. Given the extended maintenance shutdown and delays in shipments earlier in the quarter, our full year revenue and earnings targets stand at \$47M - \$50M Cdn. (\$30M - \$32M US) and \$0.72 - \$0.78 Cdn (\$0.46 - \$0.50 US) per fully diluted share respectively."

Recently announced events include:

- The Company has signed a five-year service and pricing agreement with a leading Fortune 500 manufacturer to treat PCB contaminated soil and other materials from all their sites across Canada. BENNETT expects significant quantities of soil to be treated under this agreement with the first shipments expected to arrive later this year.
- The Company announced the acquisition of Materials Recovery Resources Inc. (MRR). MRR possess the permits and capabilities to treat contaminated construction debris (wood, concrete, metal) and other contaminated plastics and mercaptan contaminated gas distribution equipment. These services are complementary to the services offered by BENNETT.
- 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.
- The Department of National Defence has finalized the \$29.3M contract for the clean up of contaminated soils at Saglek Labrador. The work has commenced and will be completed by 2004.

Results of Operations

BENNETT Environmental had a Q3 profit of \$2,306,240 or \$0.14 per basic share versus a profit of \$1,448,447 or \$0.10 per share in the corresponding period last year. Revenues were \$9,057,125 in the quarter versus \$6,572,998 for Q3 2001. On a year to date basis, revenues of \$29,295,904 are up 120% over the first nine months of 2001. Year to date earnings of \$7,086,491 are nearly four times the earnings for the same period last year.

The Company's operating costs of \$3,889,954 for the third quarter, were higher than the \$3,006,009 for the same period last year and reflect the higher plant utilization in the quarter. Administrative and business development costs of \$1,689,207 for the quarter, were higher than the \$1,255,429 incurred in Q3 2001 due to the significant increases in sales and marketing effort this quarter versus the same period last year. Due to fluctuations in the value of the US dollar at the end of the quarter, the Company incurred a \$386,128 foreign exchange gain, offsetting the loss from the previous quarter. The Company incurred \$1,368,016 of income tax expense for the quarter and has been in a taxable position since Q3 2001.

The Company's cash position has decreased in the quarter due to working capital demands with cash on hand of \$9,559,173 at September 30, up by \$6,519,093 from \$3,040,080 at the end of December 2001. Receivables balance of \$12,415,262 is up from the \$9,810,018 outstanding at the end of December 31 2001 and reflects the higher level of sales activity late in the quarter versus Q4 2001. The Company's net working capital position at September 30, 2002 increased to \$17,200,441 from the net working capital position of \$8,981,200 at December 31, 2001. During the quarter the Company invested \$296,504 in permitting acquisition costs for the proposed new plant in Kirkland Lake, \$548,541 in new plant equipment at Saint Ambroise. Purchases of 68,800 of the Company's common shares were made under the Normal Course Issuer Bid in July.

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 Rick Stern 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 September 30, 2002 with comparative figures

As at December 31, 2001

	September 2002	December 31 2001
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 9,559,173	\$ 3,040,080
Accounts receivable	12,415,262	9,810,018
Work-in-progress	1,378,226	1,703,057
Prepaid expenses and other	736,442	153,222
	<u>24,089,103</u>	<u>14,706,377</u>
Investment	440,000	-
Capital assets, net of amortization	12,363,644	12,008,247
Other assets, net of amortization	3,976,594	2,722,466
	<u>\$ 40,869,341</u>	<u>\$ 29,437,090</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,799,393	\$ 3,266,594
Income taxes payable	3,201,930	\$ 1,092,581
Deferred revenue	1,501,449	187,060
Current portion of long-term debt	1,327,339	1,178,942
	<u>8,830,111</u>	<u>5,725,177</u>
Future income tax liability	1,004,527	1,077,525
Long-term debt	1,400,678	1,958,957
Shareholders' equity		
Share capital	23,468,526	20,820,249
(Common shares outstanding 16,400,541 (2001 - 15,544,261))		
Paid-in capital	18,113	-
Retained Earnings (Deficit)	6,147,386	(144,818)
	<u>29,634,025</u>	<u>20,675,431</u>
	<u>\$ 40,869,341</u>	<u>\$ 29,437,090</u>

BENNETT ENVIRONMENTAL INC.

 Consolidated Statement of Operations and Retained Earnings
 (Deficit)

(Expressed in Canadian dollars)

For the Nine-Month Period Ended September 30, 2002 with comparative figures for the Nine-Month Period Ended September 30, 2001, and

the Three-Month Period Ended September 30, 2002 with the comparative figures for the Three-Month Period Ended September 30, 2001

	9 months		3 months	
	Sept. 30, 2002 (unaudited)	Sept. 30, 2001 (unaudited)	Sept. 30, 2002 (unaudited)	Sept. 30, 2001 (unaudited)
Sales	\$ 29,295,904	\$ 13,286,566	\$ 9,057,125	\$ 6,572,998
Interest and other income	531,093	193,645	152,285	8,650
	29,826,997	13,480,211	9,209,410	6,581,648
Expenses				
Operating costs	13,063,232	6,797,525	3,889,954	3,006,009
Administration and business development	4,647,084	3,290,885	1,689,207	1,255,429
Amortization	926,199	748,972	316,412	257,180
Foreign exchange	-	162,552	(386,128)	60,226
Interest expenses	146,928	176,029	25,709	56,620
	18,783,443	11,175,963	5,535,154	4,635,464
Earnings before income taxes	11,043,554	2,304,248	3,674,256	1,946,184
Income tax expense				
Current	4,030,061	497,737	1,649,156	497,737
Future	(72,998)	-	(281,140)	-
	3,957,063	497,737	1,368,016	497,737
Net earnings	7,086,491	1,806,511	2,306,240	1,448,447
Retained Earnings (Deficit), beginning of period	(144,818)	(4,806,590)	4,635,433	(4,513,730)
Shares purchased in excess of assigned value	(794,287)	(65,204)	(794,287)	-
Retained Earnings (Deficit), end of period	\$ 6,147,386	\$ (3,065,283)	\$ 6,147,386	\$ (3,065,283)
Basic earning per share	\$ 0.44	\$ 0.12	\$ 0.14	\$ 0.10
Fully diluted earnings per share	\$ 0.41	\$ 0.11	\$ 0.13	\$ 0.08

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

 For the Nine-Month Period Ended September 30, 2002 with comparative figures for the
 Nine-Month Period Ended September 30, 2001, and

 the Three-Month Period Ended September 30, 2002 with the comparative figures for the Three-Month Period Ended
 September 30, 2001

	9 months		3 months	
	Sept. 30, 2002	Sept. 30, 2001	Sept. 30, 2002	Sept. 30, 2001
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH PROVIDED BY (USED IN):				
Operations				
Net earnings	\$ 7,086,491	\$ 1,806,511	\$ 2,306,240	\$ 1,448,447
Items not involving cash				
Amortization	926,199	748,972	316,412	257,180
Loss of disposal of assets	-	17,366	-	-
Stock-based compensation	18,113	-	-	-
Unrealized foreign exchange gain	-	151,621	-	136,840
Future income taxes	(72,998)	322,218	(281,140)	322,218
	7,957,805	3,046,688	2,341,512	2,164,685
Change in non-cash operating working capital				
Accounts receivable	(2,605,244)	(4,582,044)	(7,449,961)	(2,356,199)
Income taxes receivable	-	331,749	-	(13,228)
Work-in-progress	324,831	-	(1,274,419)	-
Prepaid expenses and other	(583,220)	(239,575)	(110,422)	162,779
Accounts payable and accrued liabilities	(467,201)	908,591	1,265,882	865,183
Income taxes payable	2,109,349	-	1,335,121	-
Deferred revenue	1,314,389	(72,558)	1,352,127	(56)
	92,904	(3,653,837)	(4,881,672)	(1,341,521)
Financing Activities				
Repayments of long-term debt	(409,882)	(157,304)	(1,390)	(16,005)
Increase to long-term debt	-	-	-	57,800
Share capital, issued for cash	2,746,661	500,298	154,067	-
Repurchase of share capital	(892,671)	(133,140)	(892,671)	-
	1,444,108	209,854	(739,998)	41,795
Investing Activities				
Investments	(440,000)	-	-	-
Purchase of capital assets	(1,281,596)	(1,420,437)	(548,544)	(902,187)
Increase in other assets	(1,254,128)	(683,573)	(296,504)	(210,435)
	(2,975,724)	(2,104,009)	(845,044)	(1,112,622)
Increase (Decrease) in cash and cash equivalents	6,519,093	(2,501,304)	(4,125,202)	(247,663)
Cash and cash equivalents, beginning of period	3,040,080	3,758,336	13,684,375	1,504,695
Cash and cash equivalents, end of period	\$ 9,559,173	\$ 1,257,032	\$ 9,559,173	\$ 1,257,032

