

Bennett Environmental Inc. Reports Strong Increase in Q3 Sales and Earnings

Oakville Ontario, October 30, 2001 – Bennett Environmental Inc., a North American leader in the high temperature treatment of contaminated soils, announces a profit of \$1,448,447 or \$0.14 per share for the third quarter on revenues of \$6,572,998. This compares favourably to a loss of (\$349,061) or (\$0.03) for the same period in 2000 on revenues of \$1,265,324.

“Our Company achieved strong financial and operational performance, this is the third successive quarter of steadily increasing sales and earnings” said Peter Richardson, President of Bennett Environmental. “Demand for our services remains high with shipments of soil received during the quarter from two U.S. Superfund sites, two sites in Quebec and one site in Northern Ontario. Shipments from several major projects are now in full swing and we expect to see a continuation of successive increases in quarterly sales and earnings through Q4 and well into 2002. We remain committed to our projection of around \$24 million in revenue for this year and \$40 million for 2002.”

“I am pleased with the Company’s performance this quarter,” said John Bennett, CEO of Bennett Environmental. “ We’re on track for record revenues this year and next, this is positive proof that our Company is living up to its potential”.

Recent corporate announcements include:

- Bennett Environmental announced on September 18, 2001 that its plant at St. Ambroise, Quebec is operating at full capacity. The Company also announced a contract from a new US Government customer.
- The Company obtained approval from the TSE (Toronto Stock Exchange), to purchase up to 506,807 or 5% of the common shares outstanding on the market. The directors and management believe that the Company’s shares are undervalued by the market in relation to their inherent worth and future business prospects and are a good investment for the corporation at current and recent prices.

Results of Operations

Bennett Environmental had a profit of \$1,448,447 or \$0.14 per share versus a loss of (\$349,061) or (\$0.03) per share for the corresponding period last year. Revenues were \$6,572,998 in the quarter versus \$1,265,324 for Q3 2000. On a year to date basis, revenues of \$13,286,566 and earnings of \$1,806,511 or \$0.18 per share, were up from revenue of \$5,819,385 and a loss of (\$1,179,903) or (\$0.11) per share for the same period in 2000.

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The Company's operating costs of \$6,797,525 for the first nine months of 2001, were higher than the \$3,637,804 for the same period last year and reflect the higher plant utilization, particularly in the third quarter. Administration and business development costs of \$1,255,429 for the quarter are higher than the \$914,260 for the same period last year due to increased sales and marketing efforts. However, on a year to date basis, administration and business development costs are lower than 2000 levels by \$229,806 due to one-time write-offs of \$645,000 for bad debts and acquisition costs made during Q2 2000. Tax loss carry forwards from prior years have now been fully applied against earnings generated so far this year. The Company incurred a \$497,737 charge for income tax expense for the quarter and will be in a taxable position on an ongoing basis.

Cash and receivables of \$8,843,990 at the end of the third quarter have increased from \$6,763,250 at the end of December 2000. The Company maintains a sufficient reserve for any potential bad debts and the majority of the receivables outstanding as of September 30, 2001, have been collected as of the date of this report. The Company's net working capital position at September 30, 2001 increased to \$6,408,800 from the net working capital position of \$5,381,735 at December 31, 2000. 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. No purchases of the Company's common shares have been made under the Normal Course Issuer Bid.

About Bennett Environmental Inc.:

Bennett Environmental 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 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 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 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 September 30, 2001 with comparative figures

As at December 31, 2000

	September 30 2001	December 31 2000
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,257,032	\$ 3,758,336
Accounts receivable	7,586,958	3,004,914
Income taxes receivable	23,251	355,000
Prepaid expenses and other	518,347	278,772
	<u>9,385,588</u>	<u>7,397,022</u>
Future income taxes	-	322,218
Capital assets, net of amortization	10,952,298	10,184,194
Other assets, net of amortization	2,325,114	1,755,547
	<u>\$ 22,663,000</u>	<u>\$ 19,658,981</u>

Liabilities and Shareholders' Equity

Current liabilities

Accounts payable and accrued liabilities	\$ 2,421,355	\$ 1,512,764
Current portion of long-term debt	555,433	502,523
	<u>2,976,788</u>	<u>2,015,287</u>

Deferred revenue	787	73,345
Long-term debt	2,917,434	2,976,027

Shareholders' equity

Authorized:

Issued and outstanding:

10,136,138 (December 31, 2000 - 10,036,314)

Share capital	19,833,274	19,400,912
Deficit	(3,065,283)	(4,806,590)
	<u>16,767,991</u>	<u>14,594,322</u>

	<u>\$ 22,663,000</u>	<u>\$ 19,658,981</u>
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See accompanying notes to consolidated financial statements.

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Operations and Deficit
(Expressed in Canadian dollars)

For the Nine-Month Period Ended September 30, 2001 with comparative figures for the Nine-Month Period Ended September 30, 2000, and the Three-Month Period Ended September 30, 2001 with the comparative figures for the Three-Month Period Ended September 30, 2000

	9 months		3 months	
	Sep. 30, 2001 (unaudited)	Sep. 30, 2000 (unaudited)	Sep. 30, 2001 (unaudited)	Sep. 30, 2000 (unaudited)
Sales	\$ 13,286,566	\$ 5,819,385	\$ 6,572,998	\$ 1,265,324
Interest and other income	193,645	471,474	8,650	95,919
	13,480,211	6,290,859	6,581,648	1,361,243
Expenses				
Operating costs	6,797,525	3,637,804	3,006,009	629,574
Administration and business development	3,290,885	3,520,691	1,255,429	914,260
Amortization	748,972	777,599	257,180	269,467
Foreign exchange	162,552	12,447	60,226	12,447
Interest expenses	176,029	31,581	56,620	12,688
	11,175,963	7,980,122	4,635,464	1,838,436
Earnings (Loss) before income taxes	2,304,248	(1,689,263)	1,946,184	(477,193)
Income tax expense (recovery)				
Current	497,737	48,017	497,737	-
Future	-	(557,377)	-	(128,132)
	497,737	(509,360)	497,737	(128,132)
Net earnings (loss)	1,806,511	(1,179,903)	1,448,447	(349,061)
Deficit, beginning of period	(4,806,590)	(1,715,835)	(4,513,730)	(3,073,312)
Shares purchased in excess of assigned value	(65,204)	(526,635)	-	
Deficit, end of period	\$ (3,065,283)	\$ (3,422,373)	\$ (3,065,283)	\$ (3,422,373)
Basic earning (loss) per share	\$ 0.18	\$ (0.11)	\$ 0.14	\$ (0.03)
Fully diluted earnings (loss) per share	\$ 0.16	\$ (0.11)	\$ 0.12	\$ (0.03)
Weighted average number of shares (Basic)	10,077,047	10,281,012	10,130,421	10,240,114
Weighted average number of shares (Fully diluted)	11,436,455	11,200,671	11,684,146	11,478,582

See accompanying notes to consolidated financial statements.

BENNETT ENVIRONMENTAL INC.

Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

For the Nine-Month Period Ended September 30, 2001 with comparative figures for the Nine-Month Period Ended September 30, 2000, and the Three-Month Period Ended September 30, 2001 with the comparative figures for the Three-Month Period Ended September 30, 2000

	9 months		3 months	
	Sep. 30, 2001	Sep. 30, 2000	Sep. 30, 2001	Sep. 30, 2000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH PROVIDED BY (USED IN):				
Operations				
Net earnings (loss)	\$ 1,806,511	\$ (1,179,903)	\$ 1,448,447	\$ (349,061)
Items not involving cash				
Amortization	748,972	777,599	257,180	269,467
Loss of disposal of assets	17,366	-	-	1,960
Unrealized foreign exchange gain	151,621	-	136,840	-
Future income taxes	322,218	(557,377)	322,218	(128,132)
Deferred revenue	(72,558)	59,157	(56)	237,071
	2,974,130	(900,524)	2,164,629	31,305
Change in non-cash operating working capital				
Accounts receivable	(4,582,044)	176,637	(2,356,199)	1,467,706
Income taxes receivable	331,749	-	(13,228)	-
Prepaid expenses and other	(239,575)	(343,787)	162,779	139,763
Accounts payable and accrued liabilities	908,591	(913,472)	865,183	(633,649)
Income taxes payable	-	(171,067)	-	-
	(3,581,279)	(1,251,689)	(1,341,465)	973,820
Financing Activities				
Repayments of long-term debt	(157,304)	(408,566)	(16,005)	(69,397)
Share capital, issued for cash	500,298	672,161	57,800	-
Repurchase of share capital	(133,140)	(526,635)	-	(80,400)
	209,854	(263,040)	41,795	(149,797)
Investing Activities				
Deposits and deferred acquisition costs	-	312,114	-	(13,364)
Investments	-	(500,000)	-	-
Purchase of capital assets	(1,420,437)	(974,711)	(902,187)	(666,249)
Increase in other assets	(683,573)	(632,064)	(210,435)	(209,798)
	(2,104,010)	(1,794,661)	(1,112,622)	(889,411)
Decrease in cash and cash equivalents	(2,501,304)	(4,209,914)	(247,663)	(34,083)
Cash and cash equivalents, beginning of period	3,758,336	11,291,509	1,504,695	7,115,678
Cash and cash equivalents, end of period	\$ 1,257,032	\$ 7,081,595	\$ 1,257,032	\$ 7,081,595

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.