



# GARNEAU INC.

News Release

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For Immediate Distribution

TSX - GAR

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## GARNEAU INC. ANNOUNCES SHAREHOLDER RIGHTS PROTECTION AGREEMENT

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**Nisku, Alberta, - Garneau Inc.** (GAR:TSX) ("Garneau") today announced that its board of directors has implemented a shareholder rights protection agreement (the "Plan").

The Plan has been adopted in order to provide Garneau's board of directors, and shareholders with sufficient time to assess and evaluate any take-over bid and to provide the board of directors with an appropriate period of time to explore and develop alternatives which maximize shareholder value. The Plan will also assist in ensuring the fair treatment of Garneau stakeholders should an unsolicited take-over bid be made for Garneau. The Plan is intended to ensure that all of Garneau's shareholders are treated equally, if a take-over bid is made. The Plan is not intended to deter take-over bids.

To implement the Plan, the board of directors of Garneau authorized the distribution of one share purchase right for each outstanding common share of Garneau held of record today. The rights issued to shareholders under the Plan will entitle the holder to acquire shares of Garneau at a 50% discount to the prevailing market price upon a person or group acquiring 20% or more of the common shares of Garneau. However, the rights are not exercisable in the event that a "permitted bid" is made.

The Plan provides that a permitted bid is a take-over bid which provides for a minimum deposit period of at least 60 days and which is made to all shareholders (regardless of the jurisdiction in which the shareholder resides). A permitted bid must also satisfy certain other conditions, including that a minimum of 50% of the outstanding shares (exclusive of shares held by the offeror) must be tendered into the bid, after which time the bid must then be extended for a further period of 10 business days.

The Plan will be submitted for ratification by common shareholders at the next annual and special meeting of shareholders of Garneau. To remain effective, the Plan must be approved by more than 50% of the votes cast at that meeting.

Garneau's common shares are listed on the Toronto Stock Exchange (trading symbol "GAR").

For further information, please contact:

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### **About Garneau Inc.**

*Garneau Inc's primary business has been application of high performance protective coating and linings for oil and gas pipeline protection. Additionally the corporation also designs and fabricates oilfield equipment for both domestic and international markets. With over 30 years of operating experience, Garneau Inc. has developed a significant level of expertise and is well know for innovative technology. The company's website can be accessed at [www.garneau-inc.com](http://www.garneau-inc.com).*

### **Forward-Looking Information**

Certain information in this press release contains forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Garneau's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas service operations; product demand and market acceptance; the impact of competitive products and pricing; technological advancements; competition for, among other things, capital, work orders and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; technical and processing problems and other difficulties in producing products for the petroleum exploration and production industry; and obtaining required approvals of regulatory authorities. Garneau's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Garneau will derive from them. Except as required by law, Garneau undertakes no obligation to publicly update or revise any forward-looking statements. For Risk Factors in respect of Garneau, please refer to our Annual Information Form at [www.sedar.com](http://www.sedar.com).

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