



GARNEAU INC.

News Release

September 30, 2009

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GARNEAU INC.

ANNOUNCES SALE OF CAMROSE BUSINESS

Nisku, Alberta, - Garneau Inc. ("Garneau" or the "Corporation") announces that the Corporation has entered into an asset purchase agreement (the "**Agreement**") with Bayou Perma-Pipe Canada, Inc. (the "**Purchaser**") to sell all of Garneau's right, title and interest in the assets (the "**Assets**") used by Garneau in the conduct of its business of applying protective coatings and linings for oil and gas pipeline protection as conducted at Garneau's Camrose plant located at 5233 39th Street, Camrose, Alberta (the "**Camrose Business**"). The purchase price for the Camrose Business is \$12.25 million, subject to certain escrow provisions and adjustments contained in the Agreement. A copy of the Agreement will be filed on Garneau's SEDAR profile at www.sedar.com.

The decision to sell the Camrose Business follows a comprehensive strategic review by a Special Committee of independent directors working with management and financial and legal advisors. The Board of Directors believes the actions announced today are in the best interests of the Corporation and its shareholders, and unanimously recommends that shareholders vote in favor of the sale of Camrose Business.

Peters & Co. Limited has provided an opinion to the Board of Directors of Garneau to the effect that the consideration to be paid to the Corporation for the Camrose Business pursuant to the Agreement is fair, from a financial point of view, to the Corporation.

A Special Meeting of shareholders has been called for October 28, 2009 to approve the sale of the Camrose Business. The sale must be approved by two-thirds of the votes cast at the meeting and is subject to the Bank and NEX approvals. Shareholders holding approximately 25% of the outstanding Garneau common shares have entered into agreements with the Purchaser whereby they agree to vote in favour of the proposed transaction.

Garneau anticipates that a management proxy circular for the shareholder meeting will be mailed to shareholders very shortly and will be available at www.sedar.com.

Subject to receipt of applicable approvals, the transaction is expected to close on or before October 30, 2009.

About Garneau Inc.

Garneau Inc's primary business is the application of high performance protective coating and linings for oil and gas pipeline protection. Additionally, the Corporation 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 Corporation's website can be accessed at 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.

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