



FOR IMMEDIATE RELEASE – ZCL COMPOSITES INC. Announces Closing of Acquisition of Xerxes Corporation and Conversion of Subscription Receipts

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER U.S. NEWSWIRE

Edmonton, Alberta – February 22, 2007 – ZCL Composites Inc. (TSX:ZCL) ("ZCL" or the "Company") is pleased to announce that it closed today the previously announced acquisition (the "Acquisition") of XAHC, Inc. ("XAHC"), the sole shareholder of Xerxes Corporation ("Xerxes").

Acquisition of Xerxes Corporation

XAHC is a privately held company based in the United States. Xerxes is involved in the design, manufacture and marketing of fiberglass reinforced plastic ("FRP") structural products for the petroleum, chemical, water and wastewater industries. Xerxes has 260 employees operating from 5 principal locations in Minnesota, California, Texas, Maryland and Iowa.

The final aggregate purchase price for XAHC, after adjustments, was USD \$39.2 million (CDN \$46.1 million based on hedged exchange rates), and remains subject to additional post-closing adjustments, including adjustments for working capital and vendor indemnities, payable in cash.

The Acquisition was funded from the net proceeds received from ZCL's recent "bought deal" private placement offering, with the balance funded with commercial debt financing from CIBC.

ZCL's President & Chief Executive Officer, Ven Côté, said "We are excited about joining forces with a well managed industry leader to provide a broader range of products to our Canadian customer base and to increase our market presence in the United States."

Private Placement Offering

ZCL recently completed its previously announced "bought deal" private placement offering of subscription receipts (the "Offering") with a syndicate of underwriters led by Peters & Co. Limited and including CIBC World Markets Inc., Paradigm Capital Inc., Raymond James Ltd., National Bank Financial Inc. and Orion Securities Inc., whereby the underwriters purchased as principals 4,000,000 subscription receipts at a price of \$10.00 per subscription receipt for total gross proceeds of CDN\$40,000,000. As a result of the closing of the Acquisition, each holder of subscription receipts has been issued one common share of ZCL for every one subscription receipt held, without the payment of any additional consideration or any further action by such holders. Certificates representing such common shares will be issued and mailed to such holders on or before February 23, 2007. The transfer register for the subscription receipts has been closed (subject to settlement).

ZCL has filed a material change report with the securities regulatory authorities concurrently with the issuance of this news release, which material change report contains further details respecting the Acquisition and the Offering and is available at www.sedar.com.

ZCL Composites Inc. trades on the Toronto Stock Exchange under the symbol "ZCL" and is Canada's largest manufacturer of fiberglass underground storage tanks.

For further information, please contact:

Venence G. Côté
President & CEO
ZCL Composites Inc.
(780) 466-6648
Ven.Cote@zcl.com

Bernie A. Lafferty
VP Finance & CFO
ZCL Composites Inc.
(780) 466-6648
Bernie.Lafferty@zcl.com

Website: www.zcl.com

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the subscription receipts of ZCL, or the common shares of ZCL into which the subscription receipts are convertible, in any jurisdiction, including the United States, or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of such securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Such securities have not been and will not be registered under the U.S. Securities Act, 1933, as amended, and subject to certain exemptions may not be offered or sold in the United States or to U.S. persons.

FORWARD-LOOKING STATEMENTS

Statements set out in this news release that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may include expectations, opinions or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management of ZCL as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to, risks, uncertainties and other factors that are beyond the control of ZCL, including the possible failure to realize the anticipated benefits of the acquisition and risks relating to the business currently conducted by Xerxes. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information contained in this news release. Assumptions relating to certain forward-looking information contained in this news release are set out above in this news release. Although ZCL believes that the expectations reflected in the forward-looking statements set out in this news release are reasonable, it can give no assurance that such expectations will prove to have been correct. The forward-looking statements of ZCL contained in this news release are expressly qualified, in their entirety, by this cautionary statement. The forward-looking statements are made as of the date of this news release and ZCL assumes no obligation to update or revise them to reflect new events or circumstances, except as expressly required by applicable securities law. Further information regarding risks and uncertainties relating to ZCL and its securities can be found in the disclosure documents filed by ZCL with the securities regulatory authorities (including ZCL's annual information form for the fiscal year ended March 31, 2006, which was filed on SEDAR on June 29, 2006), available at www.sedar.com.