



ZCL Composites Acquires Dualam Plastics Inc.

Edmonton, Alberta, January 4, 2010 – ZCL Composites Inc. (TSX: ZCL) is pleased to announce the acquisition of Dualam Plastics Inc. ("Dualam") of Montreal, Quebec.

Dualam is a leading provider of custom engineered fibreglass reinforced plastic ("FRP") and dual-laminate composite products for use in corrosion-resistant applications in the power generation, chemical, chloralkali, pulp and paper and other industrial sectors. The company operates eight geographically diverse manufacturing and field service facilities in Canada and the United States. Dualam's two primary operating divisions are CPF Dualam and Troy Manufacturing.

"Dualam is a strategic addition that significantly expands ZCL's depth and presence in the corrosion market", said Ven Côté, ZCL's President and CEO. "Dualam is a very well respected company that has leveraged its reputation for quality and customer satisfaction to generate strong growth over the past number of years."

"As we have commented in the past, we believe there are significant opportunities in the corrosion market and with the addition of the strong team at Dualam we believe we are now in a position to grow our presence in this market", added Mr. Côté.

For their fiscal year ended November 30, 2008, Dualam had consolidated revenue of nearly \$44 million and EBITDA (earnings before interest, taxes, depreciation and amortization) of approximately \$4.5 million.

Acquisition of Dualam

ZCL has entered into a share purchase agreement to acquire all of the issued and outstanding capital stock of Dualam effective January 4, 2010. The purchase price for Dualam is \$20.5 million, subject to closing adjustments, including adjustments for working capital and certain post-closing vendor indemnities. The purchase agreement also contains earn-out provisions whereby the vendor can earn an additional \$6.0 million over the first two years after acquisition, subject to a pre-defined formula.

The consideration of \$20.5 million due at closing is payable: fifty percent in cash; twenty-five percent in common shares of ZCL at a deemed price of \$3.59; and twenty-five percent in preferred shares. The preferred shares have a term of five years and a dividend rate of 4.4%. In addition, the preferred shares, in years two to five, are redeemable by ZCL for cash or exchangeable by the vendor for ZCL common shares at a rate of \$4.75 per common share.

To finance the fifty percent payable in cash at closing, ZCL has increased the amount borrowed under its term credit facility from \$5 million to \$15 million. With the increase, ZCL's required payments under the term credit facility increase from \$0.5 million to \$1.0 million per quarter.

Advisory Regarding Forward-Looking Statements

This press release contains information regarding "forward-looking statements". By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions, projections, and other forward-looking statements will not prove to be accurate. We caution readers of this press release not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates, or intentions expressed in these forward-looking statements. These factors include, but are not limited to the achievement of the earn-out provisions, or that the anticipated benefits of the transaction are not realized as a result of such things as the strength of the economy and competitive factors in the areas where Dualam Plastics Inc. does business.

The preceding list of factors is not exhaustive. Investors and the public should carefully consider these factors, other uncertainties, and potential events as well as the inherent uncertainty of forward-looking statements when relying on these statements to make decisions with respect to ZCL Composites Inc. The forward-looking statements in this report speak only as of the date of this press release. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

For more information on how other material factors and other factors could affect our results, refer to the "Risk Factors" section in the Company's most recent Annual Information Form, and elsewhere and elsewhere in the Company's management's discussion and analysis for the quarter ended September 30, 2009 and other documents filed with Canadian provincial securities authorities. These documents are available to the public at www.sedar.com.

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