



For Immediate Release

ZCL Composites Reports Third Quarter and Nine Months 2007 Financial Results
—Conference Call at 7 AM Mountain Time November 2—

Edmonton, Alberta, November 1, 2007...ZCL Composites Inc. (TSX:ZCL) reported financial results for the third quarter and nine months ended September 30, 2007, compared with a year earlier.

Highlights for the third quarter were:

- Record quarterly revenue of \$31.3 million for Q3 07, up 123.9% from \$14.0 million in Q3 06
- Record quarterly net income of \$2.5 million for Q3 07, up 58.0% from \$1.6 million in Q3 06
- Record quarterly diluted earnings per share of \$0.10 for Q3 07, up 42.9% from \$0.07 in Q3 06

“The third quarter gains primarily reflect the acquisition of Xerxes Corporation on February 22, 2007, along with increased revenue from our Canadian operations,” said Ven Côté, ZCL’s President and Chief Executive Officer. “For the full year in 2007, we have revised our revenue and EBITDA targets due in part to the strength of the Canadian dollar but we still expect a significant improvement compared with 2006.”

The third quarter net income would have been higher but for approximately \$0.7 million of costs, which are not expected to recur in future periods, related to the acquisition of Xerxes and the implementation of associated financing transactions. The increase in diluted earnings per share was less than the increase in net income due to the impact of the shares issued in conjunction with the private placement completed on February 13, 2007 to facilitate the acquisition of Xerxes.

For the first nine months of 2007, revenue was \$74.8 million, up 86.1% from \$40.2 million a year earlier. Net income from continuing operations was \$4.7 million, up 22.9% from \$3.9 million for the corresponding nine months period of 2006. Diluted earnings per share from continuing operations was \$0.19, up 5.6% from \$0.18 for the same period a year earlier. As with the third quarter, the increase in revenue and net income primarily reflects the acquisition of Xerxes Corporation and the increase in diluted earnings per share was less than the increase in net income due to the February 13, 2007 private placement.

“While we are satisfied with the results achieved in the U.S. operations since the acquisition of Xerxes, we believe there is significant opportunity to further grow revenue, margins and net income in the U.S. market,” said Mr. Côté. “We see an opportunity to increase market share in the petroleum market and believe there are developing opportunities for ZCL’s technology in the corrosion market. We also expect that the water/wastewater market will continue to experience significant growth and we are currently in the process of expanding and redirecting marketing and sales resources towards this sector.”

EBITDA and Cash Flow

Earnings before interest, income taxes, depreciation and amortization (EBITDA) was \$4.4 million for the third quarter of 2007, up 52.2% from \$2.9 million a year earlier. Cash generated by operations before changes in working capital (cash flow) was \$3.1 million in the third quarter of 2007, up 53.9% from \$2.0 million a year earlier.

For the first nine months of 2007, EBITDA was \$9.5 million, up 35.5% from \$7.0 million a year earlier, and cash flow was \$6.7 million, up 23.5% from \$5.4 million a year earlier.

Outlook

ZCL's revised revenue target for 2007 is \$104 million to \$107 million, compared with actual revenue of \$55.1 million for the 12-month period ended December 31, 2006. The revised target compares to the previous 2007 target of \$105 million to \$115 million announced in August 2007, and as noted above, the revision is in part due to the rising value of the Canadian dollar. ZCL generates over half of its revenue in U.S. dollars and therefore the Canadian dollar strengthening approximately 10% since August has contributed to a reduction in the revenue target of almost \$2.0 million. The decrease in the upper end of the revenue target also reflects continued slower activity levels in the Canadian oilfield services industry compared to a year ago, as well as some customers delaying purchases normally anticipated for the fourth quarter. ZCL has also revised its EBITDA target for 2007 to \$14.0 million to \$16.0 million in 2007, compared with the previous target of \$16.0 million to \$18.0 million and actual EBITDA of \$9.6 million for the 12-month period ended December 31, 2006. The revised EBITDA target reflects the new revenue target, the Company's performance through the end of the third quarter and the additional costs associated with the acquisition of Xerxes noted above.

The market for ZCL's tank lining products continues to develop in the U.S and Southeast Asia. During the third quarter of 2007, ZCL announced a seven-year supply agreement with Tank Tech Inc. ("Tank Tech"), which replaces a five-year, Florida-only agreement announced in 2006. Under the new agreement, Tank Tech has the non-exclusive sales and marketing rights and the exclusive installation rights for the PHOENIX System[®] tank liner product throughout the U.S. ZCL and its affiliates have retained the right to market and sell the PHOENIX System[®] directly to U.S. customers.

During the third quarter, ZCL was also awarded two additional sites by Chevron Hong Kong Limited (Caltex) to install its LIFELINER System[™], bringing the total sites awarded to ten as at September 30, 2007. The opportunity exists for additional locations within South China and Thailand where Chevron (Caltex) has similar operations. ZCL has also entered into discussions with customers in North America for the installation of LIFELINER System[™].

"We believe there is a large, long-term global market for an alternative to tank replacement when upgrading existing single wall tanks to secondary containment standards," said Mr. Côté. "This alternative to tank replacement can minimize both site disturbance and lost revenue at service stations. With the PHOENIX System[®] and LIFELINER System[™] we are in a unique position to offer our customers the option of the finest in new fibreglass tank products, as well as a proven lining system for their upgrading needs."

"The acquisition of Xerxes earlier this year not only provides us with the ability to expand our market presence in the U.S., but also the potential to realize operational, technological and financial synergies. While some synergies are now being realized in terms of costs, we believe additional opportunities exist by capitalizing on operational best practices."

“Looking forward to 2008, we expect further growth in revenue and EBITDA. The outlook assumes continued economic growth in North America, stable foreign exchange rates and a full year of results in fiscal 2008 for ZCL’s U.S. operations, compared with approximately ten and a half months of U.S. results in 2007. In addition, with our strong balance sheet, we believe we are well positioned to take advantage of strategic and accretive acquisition opportunities that may exist,” said Mr. Côté.

Summary Financial Results

Three months ended September 30

	2007	2006	% change
Revenue	\$31,293,000	\$13,974,000	123.9%
Net Income	\$2,546,000	\$1,611,000	58.0%
Net income per share (diluted)	\$0.10	\$0.07	42.9%
Average number of shares (diluted)	26,427,057	22,410,342	17.9%

Nine months ended September 30

	2007	2006	% change
Revenue	\$74,770,000	\$40,187,000	86.1%
Net income from continuing operations	\$4,749,000	\$3,863,000	22.9%
Net income from discontinued operations	--	\$319,000	n/a
Net Income	\$4,749,000	\$4,182,000	13.6%
Net income per share, continuing operations (diluted)	\$0.19	\$0.18	5.6%
Net income per share (diluted)	\$0.19	\$0.19	0%
Average number of shares (diluted)	25,063,786	21,764,994	15.2%

The Management’s Discussion and Analysis (“MD&A”) as well as the complete financial statements and notes for the third quarter and nine months of 2007 are available on the ZCL website at this link: www.zcl.com/investors/corpdisclosure.html.

Conference Call

ZCL Composites Inc. has scheduled an investor conference call for 7 a.m. (MT) (9 a.m. (ET)) on Friday, November 2, 2007, to discuss its financial and operating results for the third quarter and nine months ended September 30, 2007.

To access the conference call by telephone, please call 416-644-3417 from the Greater Toronto Area, or dial toll-free 1-800-731-6941 from elsewhere in North America. An audio webcast may be accessed through the investor events tab on the ZCL Composites website. Audio replays will be available on the ZCL Composites website shortly after the conclusion of the conference call.

About ZCL

ZCL Composites Inc. is North America’s largest underground fibreglass tank manufacturer. ZCL’s complete fuel storage systems marketed under the “Prezerver” trademark carry a \$2 million warranty against pollution.

Note on EBITDA

While EBITDA is not a financial measure under generally accepted accounting principles (GAAP), management uses it to make strategic decisions and set targets. Many financial analysts

also use EBITDA to make investment decisions because it helps assess changes in ZCL's business across different time periods. Investors should not consider EBITDA as an alternative to net income, cash flow or other indicators of performance or liquidity which have been determined under GAAP. EBITDA does not have any standardized meaning prescribed by GAAP and may be different from, and therefore not comparable to, EBITDA measures used by other companies. A table has been included in the Company's MD&A for the third quarter that reconciles net income from continuing operations to EBITDA.

Advisory Regarding Forward-Looking Statements

This document contains forward-looking statements under the heading "Outlook" and elsewhere concerning future events or the Company's future performance, including the Company's projected operating results for 2007 and beyond, and anticipated capital expenditure trends and activity in the petroleum and other industries served by the Company. 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" and similar expressions. Actual events or results may differ materially from those reflected in the Company's forward-looking statements due to a number of known and unknown risks, uncertainties and other factors affecting the Company's business and the industries the Company serves generally. These factors, include, but are not limited to, fluctuations in the level of petroleum industry capital expenditures, drilling activity and oil and natural gas prices, and other factors that affect demand for the Company's products and services, industry competition, the need to effectively integrate acquired businesses, uncertainties as to the Company's ability to implement its business strategy effectively in Canada and the United States, political and economic conditions, the Company's ability to attract and retain key personnel, and other risks and uncertainties described under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form for the nine month fiscal period ended December 31, 2006, under the heading "Risks and Uncertainties" and elsewhere in the Company's MD&A for the nine month fiscal period ended December 31, 2006 and in other documents filed with Canadian provincial securities authorities. These documents are available to the public at www.sedar.com.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be unduly relied upon. These statements speak only as of the date of this report. 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.

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