



Dear Fellow Shareholder:

Enclosed please find a copy of the press release dated October 15, 2008, reporting third quarter fiscal 2008 and nine-month results for Cohesant Inc.

The press release also references the increase in the number of directors to seven, the appointment of Marc Morgenstern to fill the newly created vacancy, and the approval, by the stockholders, of the 2008 Long-Term Incentive Plan.

The stockholders' action was accomplished by a written action signed by the holders of a majority of the outstanding stock of the Company. The Long-Term Incentive Plan, previously adopted by the Board of Directors, is substantially identical to the plan previously approved by the shareholders of Cohesant Technologies Inc. A copy of the Plan is posted on the Company's website. This notice is being sent to you pursuant to the requirements of the Delaware Corporation Law.

The Company anticipates holding its first annual meeting of stockholders in spring 2009.

I wish to thank each of you for your support of the Company. Should you have any questions concerning your company, please don't hesitate to call or email me.

Best wishes for the forthcoming holiday season.

Morris H. Wheeler
Chairman & Chief Executive Officer
Cohesant Inc.

Contact: Morris H. Wheeler, Chairman & Chief Executive Officer
Cohesant Inc.
216 910-1700

For Immediate Release

**Cohesant Inc. Reports Results
For Third Quarter and First Nine Months of Fiscal 2008.**

Beachwood, Ohio October 15, 2008--Cohesant Inc. (Pink Sheets: COHY) today reported results for the third quarter and first nine months of fiscal 2008.

For the nine months ended August 31, 2008 the Company's net sales increased \$347,970, or 4.1% to \$8,880,339 compared to \$8,532,369 in the prior year period. This increase was primarily a result of increased sales at CuraFlo Services (rehabilitation). The increase was partially offset by a decline in Equipment and Parts sales, Franchisee and Licensee fees and Coating sales.

Consolidated gross margins increased to \$4,187,441 or 47.2% of net sales in the 2008 period from \$3,954,345 or 46.4% of net sales, in the 2007 period. The increased sales mentioned above, in addition to improved margins equated with rehabilitation revenue, led to these increases.

Operating expenses increased \$497,955, or 10.6% to \$5,195,352 in the 2008 period from \$4,697,397 in the prior year period. This increase was primarily due to higher stock-based compensation, a one-time expense occurring in the first quarter and resulting from accelerated vesting of stock options as a result of the sale of the Company's former parent in the first quarter, as well as higher personnel costs. The Company had a net loss of (\$777,947), or (\$0.22) per share for the first nine months of fiscal 2008 compared to a net loss of (\$559,677), or (\$0.16) per share in the prior year nine-month period.

For the three months ended August 31, 2008 the Company's net sales decreased \$154,465, or 4.4% to \$3,316,454 compared to \$3,470,919 in the prior year period. This decrease was a result of a slow down in demand for the Company's Coating products, decreased Franchisee and Licensee revenue and to a lesser extent decreased equipment sales. This decrease was partially offset by increased rehabilitation revenue.

Consolidated gross margins decreased to \$1,500,617 or 45.2% of net sales in the 2008 period from \$1,698,456 or 48.9% of net sales, in the 2007 period. These decreases were a result of the decreased sales mentioned above and were partially offset by improved margins on rehabilitation revenues.

The Company had a net loss of (\$236,264), or (\$0.07) per share for the current quarter compared to a net loss of (\$4,298), or (\$0.00) per share in the prior year quarter. This decrease was primarily a result of the decreased sales and margins mentioned above as well as 2.4% increase in operating expenses.

In other matters, the Company's Board of Directors announced today the election of Marc Morgenstern as a director, increasing the size of the Board of Directors to seven. Mr. Morgenstern, 58, is a veteran dealmaker who has structured, negotiated, and closed hundreds of transactions, including mergers and acquisitions, venture capital, and public and private security securities offerings, as a principal, advisor, and/or legal counsel. Mr. Morgenstern is the founder and Managing Partner of Blue Mesa Partners and serves as the Senior Advisor and/or board member for growth companies in industries as diverse as telecom, enterprise software, social broadcasting, specialized steel service centers, printing and imaging, and venture capital and private equity. He also was a co-founder and a Managing Partner of Access Ventures, a committed capital fund that invested in private, venture-stage, technology companies. Mr. Morgenstern is also currently a director of Justin.tv.Inc., Cardinal Commerce Corporation, and Within3, as well as a member of the board of Advisors of Capstone Partners, and the Chairman of the Board of Advisors of Phylogly.

"Mr. Morgenstern brings an extensive skill set to Cohesant's board" said Morris Wheeler, Chairman and Chief Executive Officer. "We look forward to his contributions."

The Company also announced a majority of stockholders has approved the Company's Long-Term Incentive Plan. The stockholders' action was accomplished by a written action signed by the holders of a majority of the outstanding stock of the Company. The Long-Term Incentive Plan, previously adopted by the Board of Directors, is substantially identical to the plan previously approved by the shareholders of Cohesant Technologies Inc. A copy of the Plan is posted on the Company's website. This notice is being sent to you pursuant to the requirements of the Delaware Corporation Law. The Company anticipates holding its first annual meeting of stockholders in spring 2009.

Cohesant Inc., based in Beachwood Ohio, is engaged in the protection and renewal of drinking water distribution systems and wastewater collection systems for municipal, industrial, commercial and residential infrastructure and the design, development, manufacture and sale of specialty coatings and equipment used to apply such coatings. The Company markets its products under numerous trade names including; AquataPoxy, CuraFlo, CuraPoxy, and Raven.

[Table follows]

COHESANT INC.
Summary Financial Data (Unaudited)

	Three Months Ended August 31, 2008	Three Months Ended August 31, 2007
Net sales	\$ 3,316,454	\$ 3,470,919
(Loss) income before income taxes	(199,300)	15,477
Net loss	\$ (236,264)	\$ (4,298)
Basic and diluted net loss per share	\$ (0.07)	\$ (0.00)
Average number of common shares outstanding basic and diluted	3,460,357	3,460,357
	Nine Months Ended August 31, 2008	Nine Months Ended August 31, 2007
Net sales	\$ 8,880,339	\$ 8,532,369
Loss before income taxes	(985,524)	(762,902)
Net loss	\$ (777,947)	\$ (559,677)
Basic and diluted net loss per share	\$ (0.22)	\$ (0.16)
Average number of common shares outstanding basic and diluted	3,460,357	3,460,357

Safe Harbor Statement

This communication contains forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995, particularly those preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “estimates,” or similar expressions. Forward-looking statements relating to expectations about future results or events are based upon information available as of today’s date, and there is no assumed obligation to update any of these statements. The forward-looking statements are not guarantees of future performance, and actual results may vary materially from the results and expectations discussed. These forward-looking statements are made subject to significant risks and uncertainties that could cause actual results to differ materially from those stated. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Cohesant Inc. undertakes no obligation to publicly release any revisions to these forward looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

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