



NEWS RELEASE
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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc.

Epicore BioNetworks Inc. Strong Results in Fiscal Year 2009 for the period ended 30 June 2009

Despite extremely challenging market and economic conditions, Epicore managed to maintain basically the same level of revenue as last year at \$3.2 million. Epicore started fiscal 2009 before the recession fully hit and was able to enjoy a half-year of good sales as distributors geared up for another normal year in calendar 2009. With low consumer consumption of shrimp at the end of 2008, producers cut back in early 2009 so Epicore sales suffered. While individual customer purchasing levels may have decreased, the company was able to increase its customer base to somewhat offset this decrease, thereby maintaining sales levels. The company was fortunate to maintain revenues at fiscal 2008 level and remain above US\$3 million. While many companies cut back in 2009, Epicore launched a major initiative to improve its science resources, which will position the company for significant future growth. Some highlights were:

- Maintained sales at \$3.2 million.
- Held operating expenses to \$1.5 million despite an 88% increase in R&D costs.
- Generated another year of positive net income (\$0.4 million or 80% of prior year).
- Achieved net income as a percentage of sales revenue of 12%.
- Achieved basic and diluted earnings per share of \$0.02.
- Shareholders' equity increased 20% over prior year.
- Maintained cash at \$0.8 million (105% of prior year).

Research and development expenses increased 88% as the company increased its scientific resources. A senior scientific consultant with extensive experience in environmental microbiology was employed. A research microbiologist with extensive experience in fermentation also was employed. The university program to develop the next generation of aquaculture probiotic continued to produce useful information. With these increased and talented resources management expects to improve the quality and reliability of its manufacturing operations and to accelerate the company's penetration into new business areas.

The change in the customer base during 2009 resulted in a change in sales mix, thereby generating an allocation weighted more in favor of products with lower margins. This, combined with slightly higher input costs produced an overall decrease (5%) in gross profit as compared to the prior year. Operational expenses decreased by almost 2%, as expenditures were controlled to compensate for sluggish sales. Epicore recorded another year of positive net income but fell short by 20% in matching prior year level, as the following results show:

	(US\$)	<u>2009</u>	<u>2008</u>
Sales		3,190,000	3,192,000
Gross Profit		1,991,000	2,099,000
Operating Expenses		1,492,000	1,516,000
Other Expenses		36,000	34,000
Income Taxes		82,000	74,000
Net Income (Loss)		381,000	475,000

Cash at the end of June was \$0.8 million, an increase of 5% over prior year. With these funds, expected sales revenue growth and continued relatively low operating costs, management expects there will be sufficient cash to meet the fiscal year's financial requirements, to fund expansion of aquaculture and environmental remediation marketing efforts and to pursue new strategies for enhancing shareholder value.

The financial statements of the company have been prepared in accordance with Canadian GAAP. Epicore BioNetworks Inc. is a public corporation with a registered office in Calgary, Alberta, Canada and with shares listed on the TSX Venture Exchange (symbol EBN). [Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.]

This press release contains forward-looking statements that involve significant risks and uncertainties. The actual results, performance or achievements of the company might differ materially from the results, performance or achievements of the company expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, those regarding the development plans of the company, the expected timing and results of such development and the expectation by management that there will be sufficient cash to meet the fiscal year's financial requirements. We can provide no assurance that such development will proceed as currently anticipated, that the expected timing or results of such development will be realized or that the company will be able to generate sufficient cash to meet its obligations. We are subject to various risks, including the uncertainties of product development, markets for our products and regulatory review, our need for additional capital to fund our operations, our reliance on collaborative partners, our history of losses, and other risks inherent in the biotechnology industry.

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