



Epicore BioNetworks Inc.

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc. Reports Results for 2010 Quarter Two for the period ended 31 December 2009

Sustained business development efforts paid off in 2009 as the Company overcame a recessionary environment and delivered a record fiscal Q2. Sales at \$1.0 million were the strongest quarter two in Company history, beating Q1 this fiscal year by 43% and beating last year's record Q2 by 9%. The world economy hurt several key Latin American customers but new customers, new products and strength in Asia offset the shortfall. Quarterly gross profit grew 18% over prior year. Operating expenses increased 23% over prior year Q2 as a result of Epicore's continued spending to improve future business prospects. Despite the extra spending Q2 net income increased 20% over prior year to \$0.1 million, which was \$0.01 per share. Some highlights were:

- Revenue for the quarter (at \$1.0 million) 9% higher than Q2 last year.
- Gross profit (at \$0.7 million) 18% higher than Q2 last year.
- Quarterly operating expenses (at \$0.5 million) 23% higher than Q2 last year.
- Net income (at \$0.1 million) 20% higher than Q2 last year.
- Basic and diluted earnings per share (at \$0.01) for the quarter the same as last year.
- Shareholders' equity (at \$2.5 million) increased 12% over the prior year Q2.
- Cash inflow of \$0.1 million significantly more than last year's Q2 cash outflow of \$0.1 million.

Aquaculture remains the Company's strongest market sector, producing 97% of total sales. The ongoing economic downturn continues to adversely affect portions of Epicore's business forcing the Company to work harder for new sales. The 2009 shrimp season was very weak for several major customers leaving them with higher than expected stock of unsold products. The Epicore sales and marketing team worked hard all year to develop new customers and new products. Asian customers weathered the recession better than most and contributed strongly to the record Q2 success. It appears that the world shrimp market maintains a cautious approach to 2010 but a more optimistic one than 2009. Much will depend on the extent to which western consumer spending on restaurant meals recovers.

The Epicore sales and marketing team added new customers and explored non-aqua applications. One result was a much broader pond sales program in South America and Asia. Our newer, powdered EPICIN-D and EPICIN-G2 products continue to sell well. Our lower cost liquid hatchery feeds marketed under the name EPILITE gained in popularity with customers under cost pressure.

Quarterly gross profit grew 18% over prior year because of the sales increase and also because of a more favorable sales mix. Gross profit as a percentage of sales revenue was higher in Q2 (66% vs. 61%) than in the prior year as a result of sales mix. Operating expenses at \$0.5 million increased by \$0.1 million or 28% in Q2 fiscal 2010 compared to prior year Q2. Research and development expenses were \$0.1 million, an increase of 350% over prior year, reflecting the Company's major commitment to R&D. With these added resources, the Company should be able to significantly expand its new product development program and improve its manufacturing quality and reliability. Sales and marketing expenses increased this quarter as the Company sought new customers to replace ones affected by recession. Also, funds were invested in upgrading Epicore aqua product literature, upgrading the Company's website and employee education to prepare for the new IFRS accounting standards.

Higher expenses largely offset higher gross profit but a lower tax provision increased net income by 20%. The Company generated a net income of \$0.14 million versus \$0.12 million in prior year quarter two, as summarized below:

	(US\$)	2010	2009
Sales		995,000	910,000
Gross Profit		651,000	554,000
Expenses		478,000	389,000
Other Income (Expense)		(9,000)	(9,000)
Income Taxes		20,000	36,000
Net Income		144,000	120,000

Cash at quarter end was \$0.95 million, a 68% increase over prior year and a 17% increase over fiscal 2010 quarter one. Increases in working capital balances particularly offset quarterly cash income but left a positive cash flow of \$0.1 million. With these funds, expected sales revenue and continued control of operating costs, management expects there will be sufficient cash to meet the fiscal year's financial requirements.

Additionally, Epicore BioNetworks Inc. announces it has granted stock options to non-executive directors, pursuant to the Company's director compensation plan. The number of options granted is 150,000 which is equivalent to 0.6% of Epicore's issued common stock. With this grant Epicore has 2,390,000 options outstanding. Under the terms of the Epicore Stock Option Plan, options may be issued from time to time in any amount up to a maximum of 4,704,247 Epicore common shares. These options have an exercise price of Cdn \$0.10 and expire in five years.

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 the 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.]

About Epicore

Epicore BioNetworks Inc. (TSXV: EBN) is a leading developer, manufacturer and marketer of innovative, environmentally responsible biotechnology products based on the use of natural microbes and enzymes. Epicore's product lines are applicable in aquaculture, agriculture, bioremediation and wastewater treatment, municipal services and cleaning. The cost effectiveness, premium quality and customer service offered by Epicore have attracted a growing and devoted customer base of end customers and distributors in twenty-nine countries worldwide. With a registered office in Calgary, Alberta, Canada, Epicore has its U.S. headquarters in Eastampton, New Jersey and a Latin American office in Ecuador. Phone 1-609-3267-9118 or visit www.epicorebionetworks.com for more information.

Forward Looking Statements

This press release contains forward-looking statements that involve significant risks and uncertainties. Readers should not put undue reliance on forward-looking statements. The statement about having sufficient cash to meet the fiscal year's financial requirements is based on the assumption that the Company's sales will continue as expected. The statement that the Company should be able to expand its new product development program and improve its manufacturing quality and reliability is based on an assumption of technical success. Such forward-looking statements include, without limitation, those regarding the development plans of the Company and the expected timing and results of such development. 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. We can provide no assurance that such development will proceed as currently anticipated or that the expected timing or results of such development will be realized. We are subject to various risks, including the uncertainties of product development, markets for our products and regulatory review, risk that we will not have the ability to retain key scientific and managerial personnel, 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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