



NEWS RELEASE
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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc.

Epicore BioNetworks Inc. Record Results in Fiscal Year 2011

for the year ended 30 June 2011

Epicore fiscal 2011 sales revenue broke the \$5 million level for the first time with a 30% increase above prior year. With increased sales and cost control, EBITDA increased 54%.

As the world slowly recovers from a severe economic downturn Epicore has grown strongly and has delivered four quarterly sales records. Demand for shrimp has been high throughout fiscal 2011. Shrimp prices have been high due to supply shortages caused by disease and natural disasters. Producers have relied on Epicore products to deliver higher productivity from their hatcheries and farms. The Epicore sales team and our distributors continued to add new customers and to pursue new applications for Epicore products. While many companies cut back in 2011, Epicore continued a major initiative to improve its science resources, which will position the Company for significant future growth and increase the reliability of its manufacturing operations. Some highlights versus prior fiscal year were:

- Increased revenue from \$3.8 million to \$5.0 million (a 30% increase).
- Increased gross profit from \$2.4 million to \$3.0 million (a 23% increase).
- Generated another year of positive net income (\$0.4 million)
- Increased EBITDA from \$0.6 million to \$0.9 million (a 54% increase).
- Achieved basic and diluted earnings per share of \$0.02.
- Increased shareholders' equity from \$3.7 million to \$4.1 million (a 12% increase).
- Increased cash from \$1.0 million to \$1.7 million (a 68% increase).

Gross profit grew 23% due to the sales increase. Because of sales mix, Epicore's gross margin did decline. Operational expenses increased by 13% in fiscal 2011 (half the fiscal 2010 increase) due to increased selling effort, inflation and IFRS conversion. Research and development expenses decreased 17% with the expiry of a research consultant contract. With the scientific program in place and the production resources being added, management expects to improve the quality and reliability of its manufacturing operations and to accelerate the Company's penetration into new business areas.

Epicore generated positive net income of \$0.4 million to give Epicore its seventh consecutive year of profitable operation. Versus prior year net income decreased by \$1.3 million because of the onetime recognition of the future income tax benefit of accumulated USA NOLs that was booked in 2010. One measure that ignores this onetime tax effect is EBITDA, which increased 54% over prior year from \$0.6 million to \$0.9 million, as the following results (in US\$) show:

	2011	2010	Increase (Decrease)	
Revenue	\$5,014,600	\$3,844,100	\$1,170,500	30%
Gross profit	\$2,956,300	\$2,396,100	\$560,200	23%
<i>Gross margin</i>	59.0%	62.3%		
Operating expenses	\$2,072,600	\$1,838,800	\$233,800	13%
Net income	\$404,300	\$1,335,600	(\$931,200)	(70%)
Basic/diluted net income per weighted average common share	\$0.02	\$0.06	(\$0.04)	
Shareholder's equity	\$4,109,900	\$3,658,300	\$451,700	12%
Cash balance	\$1,692,600	\$1,005,300	\$687,300	68%
Increase in cash	\$687,300	\$193,400	\$493,900	255%

Epicore continues to generate positive cash flows with an inflow of \$0.7 million in fiscal 2011, which was \$0.5 million more than fiscal 2010. Cash at the end of the year was \$1.7 million. 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. In support of its growth strategy, the Company anticipates additional expenditure during fiscal 2011 in property, plant and equipment, through the addition of capital equipment and enhancements to its production facility in New Jersey, United States of America, and in product development through its ongoing R&D programs. This is expected to be financed by a combination of the Company's cash reserves, continued positive earnings and third-party financing.

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 future growth of the Company, expected improvements in the quality and reliability of manufacturing operations, acceleration of the Company's penetration into new business areas, 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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