23 September 2011

AquaBounty Technologies, Inc.
("AquaBounty" or "the Company")

Interim results for the six months ended 30 June 2011

AquaBounty Technologies, Inc. (ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, announces its interim results for the six months ended 30 June 2011.

Financial and operational summary:

- U.S. Food and Drug Administration ("FDA") continued to review the Company's application for AquAdvantage® Salmon ("AAS");
- A new batch of AAS fry shipped to Panama for grow-out;
- Net loss of $2.8 million (H1 2010: $2.5 million);
- Continue to exercise tight control on cash; and
- Cash and marketable securities at 30 June 2011: $3.8 million (30 June 2010: $3.6 million).

Ronald Stotish, Chief Executive Officer of AquaBounty, commented: "While the approval process has taken longer than anticipated, we strongly believe that the FDA is moving towards a successful conclusion. Equally, the potential market for AquAdvantage® Salmon and other biotechnology-based products continues to grow. As a result, we look to the future with confidence and to delivering value to our shareholders."

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Chairman's Statement

FDA approval

AquaBounty completed all submissions for its New Animal Drug Application ("NADA") for AquAdvantage® Salmon with the U.S. Food and Drug Administration ("FDA") in 2010. After public meetings on the results of their review, the FDA released documents stating that the product was safe as food, safe to the fish, and safe for the environment. As reported in the Company's preliminary results announcement of 3 May 2011, the next stage in the approval process is expected to be the publication by the FDA of an Environmental Assessment for AAS ("EA"), followed by a period for public comment. Any approval by the FDA of AquaBounty's AAS application would follow this assessment. AquaBounty has not been informed of the likely date of the publication of the EA, but remains in dialogue with the FDA which leads the Company to believe that they are advancing towards the successful conclusion of the process.

Operations

In June 2011, the Company shipped a new batch of recently hatched AquAdvantage® Salmon to AquaBounty's facility in Panama for grow-out. The fry have acclimatized and are performing extremely well. Two prospective customers within the U.S. have made applications to begin preliminary trials on an R&D basis of AAS and are awaiting approval from the requisite regulatory authorities to be able to proceed. Once AAS is approved for sale, the Company will immediately begin field trials with prospective customers in the U.S. and abroad who have registered their interest.

The Company advanced its development program for the second generation of AAS, which is being partially funded by a grant from the Atlantic Canada Opportunities Agency.

Financial review

Operating expenses for the six month period were slightly higher at $2.8 million (H1 2010: $2.5 million), primarily due to an increase in R&D spending as the Company invested in AAS product improvements and new technologies. Cash used in the first half of 2011 totaled $2.4 million (H1 2010: $2.1 million). Current balances are sufficient to take the Company into Q2 2012.

The Company's spending and cash use remained on budget. In addition, to further reduce costs, the Board of AquaBounty resolved to reduce its number from eight members to five, effective following the Company's Annual General Meeting on 19 July 2011.

The Board is conscious, however, that the Company's cash resources will need to be supplemented early in 2012 and is currently considering options for raising further working capital, subject to shareholders' approval.

Update on Congressional Bill

As announced on 17 June 2011, an amendment to the Agricultural Appropriations Bill to prohibit the FDA from utilizing any of the appropriated funds for the purpose of approving "genetically engineered salmon" was introduced and approved by voice-vote in the U.S House of Representatives when fewer than ten members (out of a total of 435) were in attendance. This amendment does not represent a broad consensus of opinion by U.S. lawmakers, and is viewed by many as subverting the authority of the FDA and undermining science-based regulatory policy.

The Agricultural Appropriations Bill currently under consideration by the U.S. Senate does not include a provision regarding genetically engineered salmon. The bill has been approved by the Senate Appropriations Committee and will now be debated on the floor of the Senate.

The management of the Company believes that it is unlikely that a provision designed to obstruct the approval of AquaBounty's NADA will be included in any eventual final law passed by the House and the Senate. Leadership in both the House and Senate have historically rejected attempts to subvert the science-based regulatory policy of the FDA.

In August 2011, the Company was pleased to note the opposition of the scientific community against this interference by certain politicians. One such challenge to the politicians came in a letter to Congressional Leadership from the Biotechnology Industry Organization (BIO), which joined 37 scientific and agriculture organizations in urging Congress to support the U.S. Food and Drug Administration's mandate to base its assessments on science.

Outlook

While the process has taken longer than initially expected due to the pioneering nature of the application, the Company remains confident that the FDA is advancing towards the approval of its New Animal Drug Application. Once received, AAS will be the world's first genetically modified animal approved for human consumption.

Aquaculture continues to grow more rapidly than other food-producing sectors. According to the United Nations Food and Agriculture Organization, 82% of global fish stocks are overexploited, depleted or endangered. With world population and demand for fish protein increasing, sources of supply are under ever increasing pressure. The Company believes that biotechnology-based solutions, such as its AAS, can assist in overcoming this shortfall by enabling a new and sustainable production system. As a result, the potential market for AAS and other AquaBounty products is substantial.

AquaBounty Technologies, Inc.

CONSOLIDATED BALANCE SHEETS

As at June 30	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,989,057**	$ 1,518,957
Marketable securities	**1,821,435**	2,074,497
Accounts receivable	**49,992**	61,910
Prepaid expenses and other assets	**258,593**	243,867
Total current assets	**4,119,077**	3,899,231
Property and equipment	**1,355,780**	1,336,873
Patents and licenses	**86,704**	95,632
Other assets	**300,111**	364,131
Total assets	**$ 5,861,672**	$ 5,695,867
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 512,787**	$ 421,549
Current portion of long-term debt	**68,555**	61,493
Total current liabilities	**581,342**	483,042
Deferred rent	**7,456**	18,849
Long-term debt	**3,993,376**	3,238,373
Stockholders' equity:		
Common stock, $0.001 par value, 100,000,000 shares authorized; 68,554,382 (2010 - 50,445,443) shares outstanding	**68,554**	50,445
Additional paid-in capital	**69,584,326**	64,537,904
Accumulated other comprehensive loss	**(783,165)**	(601,090)
Accumulated deficit	**(67,590,217)**	(62,031,656)
Total stockholders' equity	**1,279,498**	1,955,603
Total liabilities and stockholders' equity	**$ 5,861,672**	$ 5,695,867

AquaBounty Technologies, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

Six months ended June 30	2011	2010
Costs and expenses:		
Sales and marketing	**$ 341,974**	$ 331,463
Research and development	**1,073,155**	923,109
General and administrative	**1,211,382**	1,183,055
Stock based compensation	**133,464**	84,024
	2,759,975	2,521,651
Operating loss	**(2,759,975)**	(2,521,651)
Interest income, net	**825**	353
Net loss	**$ (2,759,150)**	$ (2,521,298)
Basic and diluted net loss per share	**$ (0.04)**	$ (0.05)
Weighted average number of common shares - basic and diluted	**68,360,746**	50,331,020

AquaBounty Technologies, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six months ended June 30	2011	2010
Operating activities		
Net loss	**$ (2,759,150)**	$ (2,521,298)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**105,403**	126,273
Stock-based compensation	**133,464**	84,024
Amortization of discount on marketable securities	**57,757**	35,565
Changes in operating assets and liabilities:		
Accounts receivable	**50,888**	107,617
Investment tax credit receivable	**5,636**	11,751
Prepaid expenses and other assets	**15,100**	(9,391)
Accounts payable and accrued liabilities	**(152,180)**	(73,067)
Net cash used in operating activities	**(2,543,082)**	(2,238,526)
Investing activities		
Purchases of equipment	**(34,702)**	(28,245)
Purchases of marketable securities	**(511,428)**	(2,066,257)
Maturities of marketable securities	**2,247,593**	4,449,968
Payment of patent costs	**(14,354)**	(1,169)
Other	**-**	(5,325)
Net cash provided by investing activities	**1,687,109**	2,348,972
Financing activities		
Repayment of long-term debt	**(33,327)**	(30,332)
Proceeds from issuance of debt	**294,107**	255,587
Proceeds from exercise of stock options and warrants	**3,873**	750
Net cash provided by financing activities	**264,653**	226,005
Effect of exchange rate changes on cash and cash equivalents	**3,188**	(14,754)
Net (decrease) increase in cash and cash equivalents	**(588,132)**	321,697
Cash and cash equivalents at beginning of year	**2,577,189**	1,197,260
Cash and cash equivalents at end of period	**$ 1,989,057**	$ 1,518,957