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Aqua Bounty Technologies
("Aqua Bounty" or "the Company")

TRADING UPDATE

Aqua Bounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, is pleased to announce an update to its operations. The following summarizes some of the major developments since its listing on AIM in March 2006. The priorities have been to establish a sales team and distribution structure, demonstrate IMS effectiveness in selected markets, and bring its next product, VPX to market.

STAFFING AND INFRASTRUCTURE

Since this time last year when it had one marketing representative, the Company has since added six sales managers and technical services representatives. The Company has strengthened the senior management team, most notably with the appointment of Dr Ron Stotish, to lead the Company's regulatory activities.

These additions have substantially increased the Company's ability to establish trials in target countries, ensure that they are carried out effectively and aggressively pursue registration approvals for its products.

ESTABLISHMENT OF DISTRIBUTORS

Progress has also been made in establishing clients for the Company's products in the form of local feed manufacturers. This is complete in the two significant shrimp-producing countries, Mexico and Ecuador. Vimifos (the largest shrimp feed producer in Mexico), Expalsa (the largest in Ecuador), and Malta Cleyton in Mexico, are all anticipating significant demand for IMS this shrimp season (April to December). Field trials and sales efforts are also underway in Panama in cooperation with Grupo Calesa, that country's market leader in shrimp production, feed manufacturing, larval sales, and shrimp technology.

Aqua Bounty is now providing feed technology support to its partners so that they can upgrade their feed milling equipment to include IMS in their primary shrimp feed production lines. Feed partners in Ecuador, Mexico, Panama and Indonesia have already re-fitted their plants in order to apply IMS to their pelleted shrimp feed lines.

PRODUCT DEVELOPMENT

IMS Field Trials

In conjunction with its partner distributors and leading shrimp producers, the Company is currently overseeing 15 field trials in five countries: Mexico, Ecuador, Panama, Peru, and Indonesia. Field trials are expected to begin shortly in China, as well as a lab and hatchery trial in Thailand with the native species (monodon), which if successful will enable the Company to expand its addressable market in Asia. The majority of concluded trials over the past year have shown positive results well in excess of the minimum level required to economically justify use of the product by the producer, with a minority showing neutral results. The incidence of neutral results in a field environment is not unexpected due to variation in application disease pressure and local environmental factors.

IMS Laboratory Data

In addition to in house laboratory trials carried out by the Company, three third party laboratory studies of the ability of IMS to enhance the immune system in shrimp have been completed. All studies utilized the recommended dose of IMS used in commercial feeds.

The results are summarised below:

- when challenged with White Spot Syndrome Virus, IMS-treated shrimp had a mean absolute survival rate of 70% compared with the controls which had a survival rate of 53%, representing a 32% relative increase in survival in the IMS groups. Results were positive across three serial dilutions of the virus;
- relative growth rates of IMS treated animals were 18% faster than controls; and
- IMS treated shrimp showed a statistically significant increase in immune components of the shrimp's blood, such as hemocyte counts, as well as prophenol oxidase activity as shown in the table below.

Table 1: Immune condition of *L.v annamei* juveniles fed 40% CP*, 0 and 25g/Ton IMS

Immune Conditions	Treatment		
	40% CP*	0 g/Ton IMS	25g/Ton IMS
Hemocytes, cell/mm ³			
Total Granular Cells	13267	16518	18800**
Hyaline Cells	13550	11411	13235**
Total Cells	26818	27904	32035**
ProPO, DO	0.34	0.36	0.40**
ProPO/TGC, DO/cell/mm ³ x 1000	0.024	0.024	0.022**

* Pascual, et a., 2004.

** Statistical differences at P < 0.05 level

IMS Emulsion

Working closely with shrimp producers, a second generation product form of Shrimp IMS is in development. Shrimp IMS Emulsion delivers IMS in a blend of oils, attractants and stabilizers. This product is currently being tested in hatcheries in Panama, Mexico, and Indonesia and initial reports have been favorable and encouraging. Shrimp IMS Emulsion helps to overcome several barriers to adoption:

- formulation of a quality controlled “ready-to-add” IMS eliminates potential sources of error in the addition of IMS to feed. Currently, clients have to go through several measuring and mixing steps that can diminish product efficacy if done incorrectly; and
- hatchery operators typically feed a cocktail of different larval feed brands, to which they can easily mix the Shrimp IMS Emulsion, eliminating the Company’s need to persuade several different larval feed manufacturers to incorporate IMS into their products. Shrimp IMS Emulsion represents a practical and efficient vehicle for applying IMS in hatcheries while removing a logistical bottleneck that could have interfered with IMS treatment protocols.

The final step prior to full scale commercial deployment of the emulsion in a wider range of farm conditions is to complete stability to develop a product that remains stable for six months at room temperature.

AquAdvantage™ Viral Blocker (“VPX”)

VPX has been demonstrated to be a potent blocker of WSSV in shrimp. This condition is of major economic importance in shrimp production and laboratory trials have demonstrated high degrees of efficacy in preventing infection by the virus. The Company has made significant progress this year in production scale up and is completing a process for drying the active protein in a form that is shelf stable and easy to ship. Incorporation of VPX in a small scale batch of commercially produced feed has allowed the Company to begin tests to determine the optimal methods for feed incorporation. Optimization of expression is still required to minimize cost to the shrimp producer. Other technical studies, including long term dose response and analytical methods to accurately ascertain concentration of active VPX in feed, are required before proceeding to field trials with customers.

REGULATORY APPROVAL

IMS

IMS has been approved for commercial use on farms in Mexico and Ecuador. Applications are under way in every major shrimp producing country in the world.

AquAdvantage Salmon

The objective of the Company’s current regulatory submission is to obtain approval for AquAdvantage salmon grown outside the US to be allowed entry into the country as food, under the “Import Tolerance” provisions. While the Company cannot predict the timing of a favorable regulatory action, to date there have been no indications that the FDA has any substantive concerns associated with the health or safety of AquAdvantage salmon. While we are unable to predict the timing for approval, we continue to work closely with the FDA and fully expect approval to be granted after the FDA is able to finalise its full review.