29 May 2012

AquaBounty Technologies
("AquaBounty" or "the Company")

Preliminary Results for the year ended 31 December 2011
and Notification of AGM

AquaBounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, announces the Company's preliminary financial results for the year ended 31 December 2011 and the date of its 2012 Annual General Meeting ("AGM").

Financial and operational summary

- Net loss of US$2.7 million (2010: US$5.3 million net loss)
- Net cash and marketable securities used during the year of US$4.6 million (2010: US$4.6 million)
- Cash and marketable securities at 31 December 2011 amounted to US$1.6 million (2010: US$6.2 million)
- Awarded a research grant of US$0.5 million from The National Institute of Food and Agriculture of the United States Department of Agriculture ("USDA")

Post period-end activities

- Raised US$2.0 million via a placing of shares with existing shareholders
- Implemented a reorganization to reduce operating costs by 30%, providing sufficient funds until early 2013
- US Senate rejected an amendment demanding further study of AquAdvantage® Salmon ("AAS") as a pre-requisite for the U.S. Food and Drug Administration granting approval

Ron Stotish, Chief Executive Officer of AquaBounty, said: "2011 was a frustrating year of waiting for some indication of FDA progress on our application, while continuing our R&D work and preparation for the commercialization phase. We now await the publication of the FDA's Environmental Assessment, which the FDA commissioner has indicated will be very soon. Following the publication of the Environmental Assessment, we expect to receive final approval of our New Animal Drug Application within the subsequent few months."

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AGM Notification

AquaBounty will be holding its Annual General Meeting on 24 July 2012 at 08:30 a.m. (Eastern Daylight Time) at the Company's headquarters: Two Clock Tower Place, Suite 395, Maynard, Massachusetts USA. Stockholders of record on 8 June 2012 shall be entitled to vote at the AGM.

Chairman's Statement

AquaBounty's primary activity in 2011 has been to continue to press forward with, and prepare for, the approval of its New Animal Drug Application ("NADA") for AquAdvantage® Salmon from the U.S. Food and Drug Administration ("FDA"). Whilst this process has taken considerably longer than expected due to the unique nature of the application, the Company remains confident that the FDA is advancing towards approval in the coming months.

FDA approval process

It has been twenty months since the FDA held a public meeting of its Veterinary Medicine Advisory Committee ("VMAC") in September 2010 to review its findings and conclusion that AAS is indistinguishable from other Atlantic salmon, is safe to eat and does not pose a threat to the environment under its conditions of use. Since that meeting, the FDA has been considering its responsibilities under the U.S. National Environmental Policy Act and preparing its Environmental Assessment for AAS, which AquaBounty believes will be published in the coming weeks. Once published, the Company expects final approval of AAS to be received within the subsequent four months.

Operations

During the year, management has continued its research and development programs, including work on a project entitled "Validation Of A Maternally Mediated Sterilization Platform For Reproductive Containment Of GE Fish With Initial Application To Tilapia," which received a three-year grant totalling US$494,000 from The National Institute of Food and Agriculture of the USDA. The Company also progressed its research on the next generation of AAS and commenced a new market test in May 2012, which is being conducted at an inland commercial-scale unit. This new batch of fish are thriving and performing in line with the Company's expectations, clearly demonstrating the benefits of this product. The Company expects to harvest the fish in December 2012.

AquaBounty continues to develop relationships with authorities and producers in several countries that have appropriate production resources and are interested in testing the AquAdvantage® Salmon under their own conditions. The Company has received a number of enquiries from prospective producers, within the US and elsewhere, that are enthusiastic about the economic prospects of growing the fish.

Operating expenses for the year amounted to US$5.4 million (2010: US$5.3 million). Net loss for the year, however, was lower at US$2.7 million (2010: US$5.3 million) due to an adjustment to a long-term, royalty-based financing instrument. Net cash and marketable securities used for the year was similar at US$4.6 million to the previous year (2010: US$4.6 million).

Post period-end activities

The delay in receiving approval to produce and sell AAS eggs has had a significant effect on the financial condition of the Company. AquaBounty ended 2011 with US$1.6 million of cash, and it has become necessary to both raise additional funds as well as reduce operating costs in order to extend the Company's operating horizon. It was considered in the best interests of all shareholders to carry out a limited fundraising of US$2.0 million by means of a placing to certain existing shareholders, which was completed on 22 March 2012. In conjunction with this placement, the Company implemented a reorganization to reduce its operating costs by 30%, including the spin-off and sale of its research organization to Tethys Ocean, B.V., AquaBounty's largest individual shareholder.

On 24 May 2012, the US Senate defeated an amendment that would have required the National Oceanic and Atmospheric Administration to conduct an additional study into the environmental and economic impact of AAS before the FDA could grant approval. The amendment, which was filed by Senator Lisa Murkowski (R-Alaska) on 17 May 2012, received only 46 of the requisite 60 votes to be adopted. The Company believes the rejection of this amendment demonstrates the Senate's support for the FDA and the understanding that Congress should not intervene in the federal agency's scientific process of approving applications.

Outlook

The fundraising and the reorganization have provided the Company with sufficient funds to continue until early 2013. With the FDA approval for AAS expected during 2012, AquaBounty is preparing for its commercialization phase. It is recognised that this will require a substantial infusion of new capital to see the Company to cash-flow break-even and the Board expects to embark on a new fundraising and scale-up of operations by the end of this year.

R J Clothier

Consolidated balance sheets

As of 31 December		**2011**		2010
ASSETS				
Current assets:				
Cash and cash equivalents	**$**	**1,630,980**	$	2,577,189
Marketable securities		**14,085**		3,615,008
Other receivables		**115,057**		105,350
Prepaid expenses and other assets		**195,759**		236,232
Total current assets		**1,955,881**		6,533,779
Property, plant and equipment		**1,246,781**		1,381,552
Definite lived intangible assets		**68,811**		90,154
Indefinite lived intangible assets		**191,800**		191,800
Other assets		**73,638**		144,985
Total assets	**$**	**3,536,911**	$	8,342,270
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**499,797**	$	654,299
Current portion of long-term debt		**66,945**		65,731
Total current liabilities		**566,742**		720,030
Deferred rent		**-**		13,683
Long-term debt, net of current portion		**1,392,656**		3,647,365
Total liabilities		**1,959,398**		4,381,078
Commitments and contingencies				
Stockholders' equity:				
Common stock, $0.001 par value, 100,000,000 shares authorized; 68,780,968 (2010: 68,167,109) shares outstanding		**68,781**		68,167
Additional paid-in capital		**69,700,198**		69,447,376
Accumulated other comprehensive loss		**(650,804)**		(723,284)
Accumulated deficit		**(67,540,662)**		(64,831,067)
Total stockholders' equity		**1,577,513**		3,961,192
Total liabilities and stockholders' equity	**$**	**3,536,911**	$	8,342,270

Consolidated statements of operations

Years ended 31 December		**2011**		2010
COSTS AND EXPENSES				
Sales and marketing	**$**	**673,306**	$	758,775
Research and development		**2,165,270**		1,950,380
General and administrative		**2,577,320**		2,609,620
Total costs and expenses		**5,415,896**		5,318,775
OPERATING LOSS		**(5,415,896)**		(5,318,775)
OTHER INCOME (EXPENSE)				
Gain on royalty based financing instrument		**2,709,602**		-
Interest expense		**(3,301)**		(1,935)
Total other income (expense)		**2,706,301**		(1,935)
NET LOSS	**$**	**(2,709,595)**	$	(5,320,710)
Basic and diluted net loss per share	**$**	**(0.04)**	$	(0.10)
Weighted average number of common shares – basic and diluted		**68,570,857**		54,857,110

Consolidated statements of changes in stockholders' equity

	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at 31 December 2009	50,370,443	50,370	64,453,204	(591,517)	(59,510,357)	4,401,700
Net loss					(5,320,710)	(5,320,710)
Foreign currency translation				(129,219)		(129,219)
Unrealized losses on marketable securities				(2,548)		(2,548)
Total comprehensive loss						(5,452,477)
Issuance of common stock, net of expenses	17,666,666	17,667	4,837,384			4,855,051
Exercise of options for common stock	80,000	80	1,220			1,300
Share based compensation – common stock	50,000	50	15,995			16,045
Share based compensation - options			139,573			139,573
Balance at 31 December 2010	68,167,109	68,167	69,447,376	(723,284)	(64,831,067)	3,961,192
Net loss					**(2,709,595)**	**(2,709,595)**
Foreign currency translation				**72,557**		**72,557**
Unrealized losses on marketable securities				**(77)**		**(77)**
Total comprehensive loss						**(2,637,115)**
Exercise of options for common stock	**387,273**	**387**	**3,486**			**3,873**
Share based compensation – common stock	**226,586**	**227**	**23,859**			**24,086**
Share based compensation - options			**225,477**			**225,477**
Balance at 31 December 2011	**68,780,968**	**$68,781**	**$69,700,198**	**$(650,804)**	**$(67,540,662)**	**$1,577,513**

Consolidated statements of cash flows

Years ended 31 December		**2011**		2010
OPERATING ACTIVITIES				
Net loss	**$**	**(2,709,595)**	$	(5,320,710)
Adjustment to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization		**211,684**		232,121
Share-based compensation		**249,563**		155,618
Amortization of discount on marketable securities		**69,948**		57,429
Gain on royalty based financing instrument		**(2,709,602)**		-
Changes in operating assets and liabilities:				
Other receivables		**(9,518)**		78,318
Prepaid expenses and other assets		**111,001**		32,286
Accounts payable and accrued liabilities		**(164,228)**		146,310
Net cash used in operating activities		**(4,950,747)**		(4,618,628)
INVESTING ACTIVITIES				
Purchases of equipment		**(68,615)**		(107,178)
Purchases of marketable securities		**(1,545,996)**		(6,028,955)
Maturities of marketable securities		**5,078,266**		6,849,339
Payment of patent costs		**(14,173)**		(10,564)
Other		**-**		(10,651)
Net cash provided by investing activities		**3,449,482**		691,991
FINANCING ACTIVITIES				
Repayment of long-term debt		**(66,479)**		(61,484)
Proceeds from issuance of debt		**613,723**		534,586
Proceeds from issuance of common stock, net		**-**		4,855,051
Proceeds from exercise of stock options		**3,873**		1,300
Net cash provided by financing activities		**551,117**		5,329,453
Effect of exchange rate changes on cash and cash equivalents		**3,939**		(22,887)
Net (decrease) increase in cash and cash equivalents		**(946,209)**		1,379,929
Cash and cash equivalents at beginning of year		**2,577,189**		1,197,260
Cash and cash equivalents at end of year	**$**	**1,630,980**	$	2,577,189
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid in cash	**$**	**7,115**	$	8,841