29 February

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

Trading Statement

Aqua Bounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, announces today an update on the Company's operations and expectations for 2008, ahead of the Company's preliminary results announcement for the year ended 31 December 2007 which is expected to be released in May 2008.

Period Overview

In the Company's interim results for the six months ended 30 June 2007, Aqua Bounty reported that although approval dossiers for shrimp IMS had been submitted in 10 shrimp-producing countries worldwide, the Company expected only one country, Brazil, to approve its use in the second half of 2007. This proved to be the case and the last stage of Brazil's regulatory process was finally cleared in December. The anticipated increase in sales in the second half of the year could not be achieved and as a result the loss for 2007 will be greater than the Directors' expectations. This loss will be no more than $7.0 million and significantly lower than the loss for 2006 ($8.1 million). To offset the lower than planned revenue, the Directors have taken steps to reduce expenses and have also initiated a wide ranging strategic review of the business to ensure the optimum deployment of its current resources, and achieve the best possible returns for its shareholders. The Company's financial position remains strong, with over $16 million in cash and investments.

Management Changes

As part of its current strategic review and to better manage the Company's resources, the Directors have made some important management changes. Dr. Ron Stotish has been appointed Senior VP responsible for both research and regulatory activities. Reporting to Dr. Stotish are Dr. Kurt Klimpel, who is in charge of all shrimp product development, and Dr. John Buchanan, who manages all AquAdvantage Fish product development. David Frank joined the Company as its Chief Financial Officer in October 2007.

Shrimp IMS

The Company is now cleared to sell shrimp IMS in Brazil, the third largest market in the western hemisphere after Mexico and Ecuador. The Directors are encouraged that shrimp IMS is now approved for sale in the three largest markets outside of Asia. Registrations are moving ahead in five additional countries, but have been suspended or withdrawn in three others - Belize, Taiwan and China. Withdrawal from Belize and Taiwan was based on an economic assessment of the effort required for successful registration in these small markets, while in China, registration efforts were temporarily suspended pending collection of additional efficacy data required by the Chinese government. The Company's active registration efforts are in Indonesia, Thailand, Vietnam, Panama and Peru.

During 2007, 25 field trials were completed in six countries (compared with 12 in 2006) bringing the total number of trials conducted by the company to 37. Of the 34 completed trials that produced usable results, 23 (68%) have demonstrated increased survival rates for shrimp treated with IMS. Three recent negative trials have led the Company to refine its quality control and assurance tests to ensure that adequate concentrations of active IMS are properly incorporated into the feed that is delivered to the shrimp farm.

During a period of lower shrimp market price, which has been seen throughout 2007, there has been some price sensitivity among customers. In response, the Company has concluded negotiations with its main supplier to reduce the cost of the shrimp IMS active ingredient, and is now well positioned to address this issue.

The Company's priorities for 2008 are to grow sales in the three established markets in the Americas and to complete the registration process in Indonesia, a country that is projected to produce over 350,000 tonnes of farmed shrimp in 2008 - equivalent to 17% of the world's shrimp production and over twice as much as Mexico, Ecuador and Brazil combined. The Company also intends to advance the registration process in Thailand, the second largest shrimp producer in the world. The Company has identified and established relationships with leading feed manufacturers in these target countries who have the equipment required to properly add IMS to their feed, eliminating what was previously considered to be an impediment to market penetration in Asia.

AquAdvantage Viral Blocker ("VpX") Commercial Introduction

The commercial introduction date for the Company's second leading product, VpX, has been delayed due to difficulties in its manufacturing scale-up process. After analysis of the initial protein expression test results, the Company has revised its fermentation process to increase yield and reduce cost of production and is conducting new laboratory tests which, if successful, will allow the development program to move into field trials in late 2008. Considerable work remains to be done before the product will be ready for market. However, White Spot Virus continues to be the most significant disease for shrimp farmers and a difficult one to treat. Based on highly favourable reactions from customers who have observed demonstrations of the efficacy of VpX on a small scale, the Company expects strong demand for an effective blocker.

AquAdvantage Salmon

The Company reported in its interim results on 27 September that it was preparing to grow fish in anticipation of US Food and Drug Administration ("FDA") import approval, and it can confirm that the projected commercial introduction of AquAdvantage Salmon is progressing in line with the expectations laid out at that time. While the Company is still completing the final steps required for product approval from the FDA, it has sufficient confidence in a successful and timely outcome that it has commenced pilot production of a sufficient quantity of fish to support a commercial market test in early to mid 2009 in the US. The Company is also consulting with US food industry organizations, in preparation for the market test. By reducing the time to harvest by 40% or more, AquAdvantage technology has the potential to achieve major cost reductions, while increasing output for producers in the $4 billion per year salmon industry. Since work so far indicates that the technology is transferrable to most other farm-raised fish species, the Company envisages extending the AquAdvantage to several additional species in the midterm.

Outlook

The number of countries which have approved shrimp IMS for sale and the delay in the production of VpX undoubtedly reduces expected revenues for 2008. However, by taking steps such as reducing costs early in the year, securing a lower cost of goods for IMS and initiating a pre-emptive strategic review of the entire business, the Company expects to reduce its cash burn and believes that it is taking appropriate action to ensure optimum use of its current resources. The Company remains confident in the efficacy and commercial potential of its products and looks forward to reporting progress as it occurs, in particular with regard to its strategic review.

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Notes to Editors

About Aqua Bounty

- The Company is headquartered in Waltham, Massachusetts, USA. It has research facilities in San Diego, California and Prince Edward Island, Canada.

- Aqua Bounty has launched health and diagnostic products for the prevention and control of shrimp diseases and is developing new products to increase productivity and profitability in commercial fish farming. The Company's integrated approach to aquatic health management means that Aqua Bounty is well positioned to capitalise on the rapidly growing US$60 billion per annum aquaculture industry.

- The Company's leading product, Shrimp IMS, a stimulant for the shrimp immune system, has shown significant benefit to commercial shrimp farmers through the Company's initial marketing in Mexico and Ecuador. Results have indicated that the use of Shrimp IMS treatments has led to an increase in sales for its Mexican distributor, as well as a return of investment of up to US$2.5 for every dollar spent on the product by the farmers.

- Aqua Bounty intends to increase its sales of Shrimp IMS in Mexico while expanding into Central and South America and then into Asia in 2008. The Company also plans to launch AquAdvantage Viral Blocker in 2009, an effective preventative control against the lethal and widespread White Spot Syndrome Virus ('WSSV'). WSSV can appear suddenly, can kill entire shrimp stocks within 72 hours and has been responsible for significant pre-harvest losses to shrimp stocks in the 1990s, including over US$1 billion of shrimp stock damage in the Americas alone.

- Aqua Bounty is also developing fast growing strains of breeds of fin fish which grow faster than traditional broodstock, known as AquAdvantage™ fish. This AquAdvantage™ fish are capable of reducing growth to maturity time by as much as 50 per cent, resulting in substantial productivity gains for commercial fish farmers. The Company expects commercial launch in 2009.

- Commercial aquaculture, the controlled cultivation and harvest of aquatic plants and animals, is the most rapidly growing segment of the agricultural industry, accounting for more than US$60 billion in sales in 2003. While land-based agriculture is increasing at 2 per cent to 3 per cent per year, aquaculture has been growing at an annual rate of approximately 9 per cent since 1970. (Source: FAO)

- Aqua Bounty's strategy is to focus commercialisation initially within the western hemisphere and launch in Asia after penetrating several markets in the Americas. The Company intends to maximize returns on research and development and resulting intellectual property by supplying its products to the aquaculture industry through existing distribution channels. This strategy will enable Aqua Bounty to avoid the significant time and costs associated with developing its own manufacturing, sales and distribution infrastructure.