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Aqua Bounty launches lead shrimp product in Ecuador

WALTHAM – Aqua Bounty Technologies, a biotechnology company focused on health and productivity applications in the fast-growing aquaculture sector, has received regulatory approval for Shrimp IMS, its lead product, in Ecuador. Ecuador is the leading producer of shrimp in the Western hemisphere and the second country to approve the product, following Mexico.

An initial commercial shipment of Shrimp IMS has been made to Aqua Bounty's licensee in Ecuador, Karakoram, a South American pharmaceutical supplier working to distribute Shrimp IMS in cooperation with Exportachura de Alimentos S.A. ("Expalsa"), the leading aqua feed manufacturer in Ecuador. Aqua Bounty plans to introduce IMS to the six Latin American shrimp producing countries during 2006 with additional product launches in Asian markets planned for 2007.

The global shrimp industry generates \$13 billion in annual revenues and is growing at a compound annual rate of 5%. The expansion into Ecuador marks a major milestone in the Company's growth strategy to exploit this market potential.

Shrimp IMS is a feed additive administered through the full shrimp life cycle that reduces mortality by enhancing the animal's natural immune system; the shrimp's disease-fighting haemocyte production is increased by up to 250 percent. In field trials conducted over several years in Mexico and Ecuador, the Company has confirmed that Shrimp IMS is effective in the presence of a number of common shrimp diseases, including the Taura Syndrome and White Spot viruses, both implicated in the catastrophic \$280-million collapse of the Ecuadorian shrimp industry in 1999. White Spot virus, in particular, has caused over \$1 billion of production losses in the Americas since the 1990s. It is the most lethal, widespread viral disease of shrimp. The trials demonstrated survival improvements of 70-to-80 percent over untreated populations. In Mexico, during the first year of commercial use, benefits to farmers were calculated at \$2.50 return on investment per dollar spent on treatment.

"Ecuador has done a remarkable job rebuilding its position in the shrimp market since the loss of production in the late 1990s," said Elliot Entis, CEO of Aqua Bounty Technologies. "It is again among the top farmed shrimp exporters in the western hemisphere and an important supplier to the U.S. market. With an effective immune stimulant like Shrimp IMS now available through established market channels,

biosecurity is likely to rise in priority in both the regulatory and farming communities and help reduce the risk of catastrophic epizootic events in the future.”

Aqua Bounty Technologies is a Boston-based biotechnology company selling diagnostic tools, feed additives and therapeutants to the global aquaculture industry. Pipeline products include viral blockers, antifungals, fish vaccines and transgenic salmon, trout and tilapia that grow more quickly than standard farmed fish.

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About Aqua Bounty

- The Company is headquartered in Waltham, Massachusetts, USA. It operates principally through two wholly owned subsidiaries, Aqua Bounty Canada, in St John's, Newfoundland, and Aqua Bounty Pacific, in San Diego, California
- 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 \$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. 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 \$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 2007. The Company also plans to launch VPX in 2007, 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 \$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 FDA approval in H2 2006 prior to breeding and 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 \$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