



**PRESS RELEASE**

**TSX symbol: BX**

## **BIOX ANNOUNCES SECOND QUARTER RESULTS**

**TORONTO, May 14, 2010** - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that designs, builds, owns and operates biodiesel production facilities, today announced its 2010 second quarter financial results (Q2 2010) for the three-month period ended March 31, 2010.

### **Highlights**

- Production of methyl esters was 15.6 million litres in Q2 2010 compared to 13.2 million litres in the second quarter of 2009 (Q2 2009)
- Sales were \$14,844,000 in Q2 2010 compared to \$9,363,000 in Q2 2009
- Operating loss was \$822,000 in Q2 2010 compared to \$1,250,000 in Q2 2009
- Operating income prior to non-cash items<sup>(1)</sup> was \$229,000 in Q2 2010 compared to a loss of \$92,000 in Q2 2009
- Net loss in Q2 2010 was \$5,950,000, including \$3,861,000 of non-recurring non-cash warrant valuation charges and non-recurring costs of \$627,000 related to the amalgamation, compared with a net loss of \$1,547,000 in Q2 2009
- Loss per share was \$0.20 in Q2 2010 compared to \$0.07 in Q2 2009
- BIOX submitted two applications to Natural Resources Canada for the inclusion of additional 67 million litre nameplate capacity production facilities in the ecoENERGY for Biofuels program. Natural Resources Canada has provided notice that both applications have been deemed complete and that both applications will undergo a comprehensive review
- BIOX completed the amalgamation of BIOX Corporation with JJR IV Acquisition Inc. (JJR) on March 1, 2010, which resulted in the reverse take-over of JJR, a private placement raising gross proceeds of \$46.7 million and the listing of BIOX's common shares on the TSX under the symbol BX.
- The U.S. Environmental Protection Agency issued the final rule to implement the expanded Renewable Fuels Standards (RFS2) commencing July 1, 2010.
- Subsequent to the end of the quarter, the April 10, 2010 edition of the Canada Gazette Part I published by the Government of Canada outlined the procedure for implementation of the renewable fuel content into gasoline, diesel fuel and heating oil. The final regulations are expected to be published prior to September 2010, in Canada Gazette Part II, with the commencement of the 2% renewable diesel requirement implemented by 2011 or earlier, subject to a technical feasibility review.

"We have significantly strengthened our balance sheet with the private placement related to the JJR transaction and this has provided us with sufficient capital to construct our second 67 million litre nameplate biodiesel production facility," said Tim Haig, President and CEO of BIOX Corporation. "With the submission of two applications to the ecoENERGY program we are continuing our preparations on schedule for the second plant. We believe that the underlying fundamentals of the biodiesel market continue to improve with the commencement of RFS2 in the U.S. and the implementation of Bill C-33 in Canada, which together clearly signal the commitment of regulators to the renewable fuels market."

### **Financial Highlights**

Sales were \$14.8 million and \$26.4 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared to \$9.4 million and \$21.9 million for the corresponding

periods in 2009. The increase was primarily due to higher sales volumes and higher revenue per litre sold in 2010.

Direct expenses were \$13.1 million and \$23.2 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with \$8.1 million and \$20.7 million for the corresponding periods in 2009. The increase in direct expenses in 2010 was due to higher sales volumes and to higher cost per litre sold due to changes in commodity prices in 2010, primarily the price of feedstock.

General and administrative expenses were \$1.5 million and \$2.7 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared to \$1.3 million and \$2.6 million for the corresponding periods in 2009.

Operating loss was \$0.8 million and \$1.6 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with \$1.3 million and \$3.6 million for the corresponding periods in 2009. The decrease in operating loss was primarily due to significantly higher gross margins achieved in 2010 compared with 2009.

Operating income prior to non-cash items<sup>(1)</sup> was \$0.2 million and \$0.5 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with an operating loss prior to non-cash items of \$0.1 million and \$1.4 million for the corresponding periods in 2009.

Operating income prior to non-cash items for BIOX Canada Limited (BIOX Canada), BIOX's wholly-owned subsidiary which owns and operates BIOX's Hamilton plant, was \$1.5 million and \$2.7 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with \$1.1 million and \$0.7 million for the corresponding periods in 2009. BIOX Canada's operating income was \$0.5 million and \$0.8 million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with breakeven and an operating loss of \$1.2 million for the corresponding periods in 2009.

Net loss and comprehensive loss was \$5.9 million or \$0.20 per share and \$7.0 or \$0.27 per share million, respectively, for the three-month and six-month periods ended March 31, 2010 compared with \$1.5 million or \$0.07 per share and \$4.7 million or \$0.22 per share for the corresponding periods in 2009. The change in net loss was impacted by the combined \$4.5 million of non-recurring costs related to the warrant valuation and the amalgamation, partially offset by improved operating results.

As at March 31, 2010, BIOX's available cash position amounted to \$42.5 million, which consisted of cash and cash equivalents and short-term investments, compared with \$0.2 million on September 30, 2009. The increase in BIOX's cash position reflects the net proceeds of the \$46.7 million private placement in March, 2010.

As at May 14, 2010, BIOX had 45,748,690 common shares outstanding, as well as options to purchase 525,000 common shares, share purchase warrants to acquire up to 1,339,286 common shares and special warrants to acquire up to 642,857 share purchase warrants (which entitle the warrant holders to acquire an equal number of BIOX common shares).

## **Outlook**

### *Expansion Plans*

BIOX has submitted two applications as part of the ecoENERGY for Biofuels program to Natural Resources Canada for the inclusion of additional 67 million litre nameplate capacity production facilities in the ecoENERGY for Biofuels program. The applications outline BIOX's plans for new production facilities in Hamilton, Ontario and Montreal, Quebec. BIOX has received notice from Natural Resources Canada that both applications have been deemed complete and that both applications will undergo a comprehensive review. Natural Resources Canada has indicated that it is aiming to make final program decisions based on highest ranked projects by fuel type, in the

summer of 2010. BIOX estimates the completion date for construction and commissioning of a second 67 million litre nameplate capacity facility within the fourth quarter of calendar 2011, which is consistent with its previous estimate of 20 months post availability of funding. This timeframe may be extended due to delays in the Natural Resources Canada final program decisions.

#### *Regulatory Update*

On February 3, 2010, the U.S. Environmental Protection Agency (EPA) issued the final rule to implement the expanded Renewable Fuels Standard (RFS2) commencing July 1, 2010. The legislation expands the Renewable Fuels Standard and for the first time specifically provides for a renewable component in U.S. diesel fuel. RFS2 requires the use of 500 million gallons of Biomass-based diesel in 2009, increasing to 1 billion gallons in 2012. From 2012 through 2022, a minimum of 1 billion U.S. gallons must be used domestically, and the Administrator of the EPA has the authority to increase the minimum volume requirement.

The U.S. federal excise tax incentive, referred to as the blender program, expired on December 31, 2009. Separate legislation to reinstate the program has passed both the U.S. House of Representatives and the U.S. Senate. However due to differences the two bills must be reconciled prior to approval. Legislators have stated that the goal is to have the legislation passed by the end of May 2010. As a result of the uncertainty as to whether and when the biodiesel tax incentive proposal will be reinstated and whether or not the biodiesel tax incentive, if reinstated, would apply retroactively, our customers have recently required changes to the way BIOX and other biodiesel producers price biodiesel. Although BIOX continues to sell its biodiesel at a premium to the NYMEX Heating Oil rack rate, collection of the receivable and recognition of the revenue for the U.S. \$1 per USG portion related to the biodiesel tax incentive is contingent on the biodiesel tax incentive being reinstated on a retroactive basis, and the retroactive credit being realized by BIOX's customers. Based on the progress that the proposed legislation has made to date, and based on statements by U.S. legislators, BIOX believes that the biodiesel tax incentive will be passed into law in the near term, and that it will be retroactive to January 1, 2010. However, if the passage of the bill is further delayed or abandoned, or if the bill is passed without retroactive effect, BIOX's total sales and margins will be significantly and adversely impacted in the near term.

With the publication of the Canada Gazette Part I, on April 10, 2010, the Government of Canada announced that it was moving forward with proposed regulations that would require an average renewable fuel content to be blended into gasoline, diesel fuel and heating oil commencing in part as early as September 2010. Assuming no substantive changes to the regulations as published through the 60 day public comment period which ends June 9, 2010, the final regulations will be published in the Canada Gazette Part II with the start of the 5% renewable gasoline requirements commencing September 1, 2010. Part I outlines the commencement of the 2% renewable diesel requirement will be implemented by 2011 or earlier, subject to technical feasibility through an amendment to the regulations.

<sup>1)</sup> Note: Non-GAAP Measures. Operating income (loss) prior to non-cash items is defined as operating income or loss less production facility depreciation and amortization, and less amortization of furniture, equipment and intangibles. Management uses this measurement to monitor the operating cash flow of BIOX's business and believes this information is useful supplemental information to a reader of financial statements. This measurement may not be comparable to similar measures presented by other issuers. Investors are cautioned that operating income (loss) prior to non-cash items should not be construed as an alternative to operating income (loss) determined in accordance with Canadian generally accepted accounting principles as an indicator of BIOX's performance.

The following table presents a reconciliation of operating income prior to non-cash items to operating income is as follows:  
(in thousands)

	Three months ended		Six months ended	
	March 31		March 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating income (loss) before non-cash items	229	(92)	508	(1,406)
Deduct:				
Production facility depreciation and amortization	(987)	(1,033)	(1,949)	(1,900)
Amortization of furniture, equipment and intangibles	(64)	(125)	(145)	(326)
<b>Operating income (loss)</b>	<b>(822)</b>	<b>(1,250)</b>	<b>(1,586)</b>	<b>(3,632)</b>

### Notice of Conference Call

BIOX will hold a conference call today, May 14, 2010, at 9:00 a.m. ET hosted by Mr. Tim Haig, President and Chief Executive Officer, and Mr. Chris Clinning, Chief Financial Officer, to discuss the Company's financial results and corporate developments. To access the conference call by telephone, dial (647) 427-7450 or (888) 231-8191. To access the telephone replay, dial (416) 849-0833 or (800) 642-1687 and enter reservation number 74823863. A live audio webcast of the call will be available at [www.bioxcorp.com](http://www.bioxcorp.com). The webcast will be archived for 90 days.

### About BIOX Corporation

BIOX is a renewable energy company that designs, builds, owns and operates biodiesel production facilities. BIOX currently owns and operates a biodiesel production facility in Hamilton, Ontario, Canada with a nameplate capacity of 67 million litres per year. BIOX has an innovative, proprietary and patented production process that is capable of producing the highest quality, renewable, clean burning and biodegradable biodiesel fuel utilizing a variety of feedstocks - from pure seed oils to animal fats to recovered vegetable oils with no change to the production process. BIOX's high quality biodiesel fuel meets both North American (ASTM D-6751) and European (EN 14214) quality standards. BIOX is Canada's largest biodiesel producer and is focused on building, owning and operating a network of commercial scale biodiesel production facilities in jurisdictions where clearly defined renewable fuel standards policies exist.

### Forward-looking Statements

*Certain statements in this press release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of BIOX, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. These statements reflect BIOX's current views regarding future events and operating performance are based on information currently available to BIOX, and speak only as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the fact that BIOX's results of operations and business outlook are highly dependent on a mix of legislation and producer payment programs and tax credits, including inclusion in the ecoENERGY for Biofuels Program and resolution of the uncertainty surrounding the U.S blender program; and upon commodity prices, which are subject to significant volatility and uncertainty. Many factors could cause the actual results, performance or achievements of BIOX to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including factors described in this press release and those discussed in BIOX's publicly available disclosure documents, as filed by BIOX on SEDAR ([www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially*

*from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, BIOX does not intend and does not assume any obligation to update these forward-looking statements.*

**For further information contact:**

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# BIOX Corporation

## Consolidated statements of operations and comprehensive loss

(All dollar amounts are expressed in thousands, except share and per share amounts)

(unaudited)

	Three months ended		Six months ended	
	March 31		March 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>Sales</b>	<b>14,844</b>	9,363	<b>26,409</b>	21,913
<b>Cost of sales</b>				
Direct expenses	13,094	8,121	23,164	20,744
Production facility depreciation and amortization	987	1,033	1,949	1,900
	<b>14,081</b>	9,154	<b>25,113</b>	22,644
<b>Gross margin</b>	<b>763</b>	209	<b>1,296</b>	(731)
<b>Operating expenses</b>				
General and administrative	1,521	1,334	2,737	2,575
Amortization of furniture, equipment and intangibles	64	125	145	326
	<b>1,585</b>	1,459	<b>2,882</b>	2,901
<b>Operating loss</b>	<b>822</b>	1,250	<b>1,586</b>	3,632
<b>Other expenses</b>				
Stock-based compensation	20	128	20	575
Interest and fees on loans	169	222	350	616
Financing and accretion	25	10	36	141
Expansion planning and development	366	-	366	-
Disposal of property, plant and equipment	-	-	42	-
Loss (gain) on foreign exchange	70	(62)	149	(254)
Valuation of warrants	3,861	-	3,861	-
Costs related to the qualifying transaction	627	-	627	-
	<b>5,138</b>	298	<b>5,451</b>	1,078
<b>Net loss before interest income</b>	<b>5,960</b>	1,548	<b>7,037</b>	4,710
Interest income	(10)	(1)	(16)	(7)
<b>Net loss and comprehensive loss for the period</b>	<b>5,950</b>	1,547	<b>7,021</b>	4,703
<b>Basic and diluted loss per common share</b>	<b>0.20</b>	0.07	<b>0.27</b>	0.22
<b>Weighted average number of common shares</b>	<b>30,238,357</b>	21,747,066	<b>25,946,056</b>	21,747,066

# BIOX Corporation

## Consolidated statements of deficit

(All dollar amounts are expressed in thousands)

(unaudited)

	Three months ended		Six months ended	
	March 31		March 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
Deficit, beginning of period	76,408	72,848	75,337	69,692
Net loss for the period	5,950	1,547	7,021	4,703
<b>Deficit, end of period</b>	<b>82,358</b>	<b>74,395</b>	<b>82,358</b>	<b>74,395</b>

# BIOX Corporation

## Consolidated balance sheets

(All dollar amounts are expressed in thousands)

(unaudited)

	At March 31 2010	At September 30 2009
	\$	\$
<b>Assets</b>		
Current		
Cash and cash equivalents	42,496	202
Accounts receivable	3,866	9,094
Prepaid expenses and sundry assets	203	556
Inventory	2,286	3,729
	<b>48,851</b>	13,581
Restricted cash	1,173	1,173
Property, plant and equipment, net	57,699	58,728
Intangible assets, net	1,374	1,440
	<b>109,097</b>	74,922
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	4,736	10,452
Demand loan	970	1,545
Current portion of long-term debt	1,380	1,380
	<b>7,086</b>	13,377
Long-term debt	10,389	11,059
Asset retirement obligation	1,965	1,872
	<b>19,440</b>	26,308
<b>Shareholders' equity</b>		
Capital stock	167,787	122,668
Warrants	3,152	-
Contributed surplus	1,076	1,283
Deficit	(82,358)	(75,337)
	<b>89,657</b>	48,614
	<b>109,097</b>	74,922

# BIOX Corporation

## Consolidated statements of cash flows

(All dollar amounts are expressed in thousands)

(unaudited)

	Three months ended		Six months ended	
	March 31		March 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash provided by (used in):				
<b>Operating activities</b>				
Net loss for the period	(5,950)	(1,547)	(7,021)	(4,703)
Add items not involving cash				
Amortization of property, plant and equipment and intangible assets	1,051	1,158	2,094	2,226
Amortization of deferred financing charges	10	10	21	63
Debenture accretion	-	-	-	78
Stock-based compensation	20	128	20	575
Accretion of asset retirement obligation	47	43	93	85
Interest on debt financing	53	63	53	63
Valuation of warrants	3,861	-	3,861	-
Non-cash disposal of property, plant and equipment	-	-	42	-
	(908)	(145)	(837)	(1,613)
Net change in non-cash working capital balances related to operations	83	(724)	1,604	268
	(825)	(869)	767	(1,345)
<b>Investing activities</b>				
Purchase of property, plant and equipment, net	(671)	(345)	(1,390)	(1,046)
	(671)	(345)	(1,390)	(1,046)
<b>Financing activities</b>				
Proceeds from debt financing	1,380	-	1,380	13,800
Repayment of secured debentures	-	-	-	(13,600)
Repayment of debt financing	(1,725)	(345)	(2,070)	(345)
Repayment on demand loan	(600)	-	(575)	-
Financing charges	-	(39)	-	(412)
Proceeds from issuance of common shares	46,700	2	46,700	6
Share issuance costs	(2,518)	-	(2,518)	-
	43,237	(382)	42,917	(551)
Net increase (decrease) in cash and cash equivalents during the period	41,741	(1,596)	42,294	(2,942)
Cash and cash equivalents, beginning of period	755	2,071	202	3,417
<b>Cash and cash equivalents, end of period</b>	<b>42,496</b>	<b>475</b>	<b>42,496</b>	<b>475</b>
<b>Supplemental cash flow information</b>				
Interest paid	195	183	375	529