



**PRESS RELEASE**

**TSX symbol: BX**

## **BIOX ANNOUNCES SECOND QUARTER RESULTS**

**TORONTO, May 5, 2011** - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that designs, builds, owns and operates biodiesel production facilities, today announced its fiscal 2011 second quarter (Q2 2011) financial results for the three-month period ended March 31, 2011.

### **Highlights**

- Production of methyl esters was 14.9 million litres in Q2 2011 compared to 15.6 million litres in Q2 2010
- Sales were \$22,862,000 in Q2 2011 compared to \$14,844,000 in Q2 2010
- Operating loss was \$1,279,000 in Q2 2011 compared to \$822,000 in Q2 2010
- Operating loss prior to non-cash items<sup>(1)</sup> was \$174,000 in Q2 2011 compared to operating income prior to non-cash items of \$229,000 in Q2 2010
- Net loss was \$1,968,000 in Q2 2011 compared to \$5,950,000 in Q2 2010
- Loss per share was \$0.04 in Q2 2011 compared to \$0.20 in Q2 2010
- Appointed William Johnson to the position of President and Chief Executive Officer
- Hosted the federal Ministers of the Environment and Agriculture and Agri-Food Canada at BIOX's Hamilton facility to announce the implementation of the 2% renewable fuel content requirement in diesel fuel and heating oil, effective July 1, 2011
- Received notification that BIOX will receive an exemption from countervailing duties imposed by the European Union on biodiesel imports from the U.S. and Canada

"Sales remained strong in Q2, following the trend from the previous quarter. The price we receive for our biodiesel has been positively impacted by the implementation of the mandated minimum biodiesel volume requirements in the U.S. last year. As a low cost producer selling into a market that is mandated to grow we are in a strong position to capitalize on this continuing improved pricing environment," said Bill Johnson, President and CEO of BIOX Corporation. "With Canada joining the U.S. by announcing the implementation of mandated minimum volumes, together with the improved pricing, we are moving forward with our expansion plans and actively pursuing potential locations for our second plant in Canada or the U.S."

### **Financial Highlights**

Sales were \$22.9 million and \$49.9 million, respectively, for the three-month and six-month periods ended March 31, 2011, compared to \$14.8 million and \$26.4 million for the corresponding periods in 2010. The increase is primarily due to increased sales of inventory produced and stored from earlier periods and higher revenue per litre of biodiesel sold.

Direct expenses were \$21.0 million and \$42.8 million, respectively, for the three-month and six-month periods ended March 31, 2011, compared to \$13.1 million and \$23.2 million for the corresponding periods in 2010. The increase in direct expenses in 2011 is due to higher sales volumes and higher cost per litre sold due to changes in commodity prices, primarily the price of feedstock.

General and administrative expenses were \$2.1 million and \$3.8 million, respectively, for the three-month and six-month periods ended March 31, 2011 compared to \$1.5 million and \$2.7 million for the corresponding periods in 2010. This increase is primarily due to \$0.4 million of non-

recurring costs related to the CEO transition and the additional administrative costs and professional fees as a result of BIOX becoming a public company on March 1, 2010.

Operating income (loss) was \$(1.3) million and \$1.0 million, respectively, for the three-month and six-month periods ended March 31, 2011 compared with \$(0.8) million and \$(1.6) million for the corresponding periods in 2010. The increase in operating income during the six-month period ended March 31, 2011 was primarily due to higher sales partially offset by increased direct cost of sales per litre.

Operating income (loss) prior to non-cash items was \$(0.2) million and \$3.2 million, respectively, for the three-month and six-month periods ended March 31, 2011, compared with \$0.2 million and \$0.5 million for the corresponding periods in 2010.

Combined operating income prior to non-cash items for BIOX's wholly-owned subsidiaries, BIOX Canada Limited and BIOX USA Limited, was \$1.7 million and \$6.6 million, respectively, for the three-month and six-month periods ended March 31, 2011 compared with \$1.5 million and \$2.8 million for the corresponding periods in 2010.

Net loss and comprehensive loss was \$2.0 million or \$0.04 per share and \$0.2 million or nil per share, respectively, for the three-month and six-month periods ended March 31, 2011 compared with \$6.0 million or \$0.20 per share and \$7.0 million or \$0.27 per share for the corresponding periods in 2010. The change was primarily due to the \$4.5 million of non-recurring charges in March 2010 related to the amalgamation completed on March 1, 2010, and higher sales partially offset by increased direct cost of sales per litre.

As at March 31, 2011, BIOX's available cash position amounted to \$23.5 million, which consisted of cash and cash equivalents and short-term investments, compared with \$21.5 million on September 30, 2010. Working capital as of March 31, 2011, was \$33.2 million. The Company believes that its future cash flow from operations combined with its current financial resources should be sufficient to enable BIOX to meet its ongoing requirements for capital expenditures and working capital requirements, including the construction and commissioning of a second 67 million litre per annum nameplate capacity production facility as detailed in the Expansion Plans section below.

As at March 31, 2011, the Company had 45,748,691 common shares outstanding, as well as outstanding stock options to purchase 1,150,000 common shares and share purchase warrants to acquire up to 1,982,143 common shares.

## **Outlook**

### *Expansion Plans*

The increased demand for biodiesel as a result of the expanded Renewable Fuels Standard ("RFS2") in the U.S. has had a positive impact on pricing. This impact is reflected by the rise in value of the RFS2 compliance mechanism, Renewable Identification Numbers ("RINs"), to \$1.25 on May 4, 2011 (with each U.S. gallon of production providing 1.5 RINs). The mandated biodiesel minimum volume requirement in the U.S. is an important step in the evolution of a sustainable biodiesel industry. As such, BIOX is proceeding with its expansion plans by actively pursuing potential locations for the second BIOX facility in both Canada and the U.S. The criteria under consideration for the location of the second facility include the availability of infrastructure and service providers, potential strategic partnerships, logistics and other market factors. The Company believes it possesses sufficient available resources for the second facility based on its existing cash on hand, working capital and its future cash flow from existing operations.

### *Canadian Renewable Fuel Content Regulations*

In August 2010, the Canadian federal government enacted regulations that require an average renewable fuel content to be blended into gasoline, diesel fuel and heating oil. The compliance period for the 2% renewable fuel content requirement in diesel fuel and heating oil is July 1, 2011 to December 31, 2012, as published in the Gazette Part I on February 25, 2011. The compliance period for the 5% renewable content requirement in gasoline is December 15, 2010 to December 31, 2012. BIOX's biodiesel qualifies as renewable content and can therefore be used to comply with both the 5% gasoline requirement as well as the 2% biodiesel and heating oil requirement.

### *ecoENERGY*

Natural Resources Canada ("NRCan") has informed BIOX that partial incentive funding is now available from the ecoENERGY for Biofuels program for the second proposed Hamilton facility. As part of the original announcement, BIOX's application for a second 67 million litre per annum nameplate capacity biodiesel facility in Hamilton, Ontario met all requirements to be accepted for incentive funding, but sufficient funds were not available at that time to fund the proposed Hamilton facility. Based on the partial incentive funding available, BIOX is pursuing further discussions with the Government of Canada, in parallel to its evaluation of potential locations in Canada and the U.S., to determine if additional funding can be made available in a timely manner to provide full incentive payments for a second Hamilton facility.

### *European Union Tariff on Biodiesel Imports from Canada*

The European Union ("EU") originally imposed countervailing duties ("CVD's") on U.S. biodiesel imports of greater than B20 (more than 20% biodiesel blended with less than 80% petroleum diesel) in 2009. This CVD was implemented on U.S. origin biodiesel and biodiesel blends of greater than 20% imported into the EU in order to offset the benefit of the U.S. Blender Tax Credit. Recent disclosures from the European Commission report that those CVD's will now be extended to include imports of blended products containing greater than B20 listed as originating in Canada as well as the U.S. The value of the CVD is €237 per tonne of imported biodiesel. The extension of the CVD from U.S. to Canadian exports of products containing greater than 20% biodiesel is meant to prevent the alleged circumvention of the CVD pertaining to U.S. product. Extending the tariff to include Canadian biodiesel and biodiesel blends of greater than B20 is intended to discourage biodiesel originating in the U.S. from being sold through Canada, re-labeled to be of "Canadian origin", as a way to circumvent the CVD's imposed on U.S. products, into the EU market.

The EU has indicated that BIOX will receive an exemption from the CVD effectively making BIOX one of only two entities in North America exempted from the CVD imposed by the EU Commission.

### **Notice of Conference Call**

BIOX will hold a conference call today, May 5, 2011, at 10:00 a.m. ET hosted by Mr. Bill Johnson, President and Chief Executive Officer and Mr. Chris Clinning, Chief Financial Officer, to discuss BIOX'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 63852664. 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.

<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.

#### *Reconciliation of Non-GAAP Measures*

The following table presents a reconciliation of operating income (loss) prior to non-cash items to operating income (loss) for the three months and six months ended March 31, 2011 and 2010:

(in thousands)	Three months ended March 31		Six months ended March 31	
	2011	2010	2011	2010
Operating income (loss) before non-cash items	<b>\$(174)</b>	\$229	<b>\$3,227</b>	\$508
Production facility depreciation and amortization	<b>\$(1,021)</b>	\$(987)	<b>\$(2,046)</b>	\$(1,949)
Amortization of furniture, equipment and intangibles	<b>\$(84)</b>	\$(64)	<b>\$(167)</b>	\$(145)
Operating income (loss)	<b>\$(1,279)</b>	\$(822)	<b>\$1,014</b>	\$(1,586)

#### **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 North American (ASTM D-6751) 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 of BIOX's second production plant in the ecoENERGY for Biofuels 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

(Unaudited)

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

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Sales</b>	<b>22,862</b>	14,844	<b>49,851</b>	26,409
Cost of sales				
Direct expenses	<b>20,958</b>	13,094	<b>42,798</b>	23,164
Production facility depreciation and amortization	<b>1,021</b>	987	<b>2,046</b>	1,949
	<b>21,979</b>	14,081	<b>44,844</b>	25,113
Gross margin	<b>883</b>	763	<b>5,007</b>	1,296
Operating expenses				
General and administrative	<b>2,078</b>	1,521	<b>3,826</b>	2,703
Amortization of furniture, equipment and intangibles	<b>84</b>	64	<b>167</b>	145
	<b>2,162</b>	1,585	<b>3,993</b>	2,882
Operating (loss) income	<b>(1,279)</b>	(822)	<b>1,014</b>	(1,586)
Other expenses				
Stock-based compensation	<b>83</b>	20	<b>144</b>	20
Interest and fees on loans	<b>161</b>	169	<b>329</b>	350
Financing and accretion	<b>10</b>	25	<b>21</b>	36
Expansion planning and development	<b>72</b>	366	<b>206</b>	366
Disposal of property, plant and equipment	-	-	-	42
Loss on foreign exchange	<b>405</b>	70	<b>600</b>	149
Valuation of warrants	-	3,861	-	3,861
Costs related to the qualifying transaction	-	627	-	627
	<b>731</b>	5,138	<b>1,300</b>	5,451
Net loss before interest income	<b>2,010</b>	5,960	<b>286</b>	7,037
Interest income	<b>(42)</b>	(10)	<b>(82)</b>	(16)
<b>Net loss and comprehensive loss for the period</b>	<b>1,968</b>	5,950	<b>204</b>	7,021
<b>Basic and diluted loss per common share</b>	<b>0.04</b>	0.20	<b>0.00</b>	0.27
<b>Weighted average number of common shares</b>	<b>45,748,691</b>	30,238,357	<b>45,748,691</b>	25,946,056

# BIOX Corporation

## Consolidated statements of deficit

(Unaudited)

(All dollar amounts are expressed in thousands)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Deficit, beginning of period</b>	<b>89,579</b>	76,408	<b>91,343</b>	75,337
Net loss for the period	<b>1,968</b>	5,950	<b>204</b>	7,021
<b>Deficit, end of period</b>	<b>91,547</b>	82,358	<b>91,547</b>	82,358

# BIOX Corporation

## Consolidated balance sheets

(Unaudited)

(All dollar amounts are expressed in thousands)

	At March 31, 2011	At September 30, 2010
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	23,549	21,470
Accounts receivable	7,592	3,475
Prepaid expenses and sundry assets	562	984
Inventory	9,152	13,752
	<b>40,855</b>	<b>39,681</b>
Restricted cash	1,173	1,173
Property, plant and equipment, net	56,241	57,758
Intangible assets, net	1,242	1,308
	<b>99,511</b>	<b>99,920</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	6,241	6,024
Current portion of long-term debt	1,380	1,380
	<b>7,621</b>	<b>7,404</b>
Long-term debt	8,997	9,666
Asset retirement obligation	2,162	2,059
	<b>18,780</b>	<b>19,129</b>
<b>Shareholders' equity</b>		
Capital stock	167,787	167,787
Warrants	3,151	3,151
Contributed surplus	1,340	1,196
Deficit	(91,547)	(91,343)
	<b>80,731</b>	<b>80,791</b>
	<b>99,511</b>	<b>99,920</b>

# BIOX Corporation

## Consolidated statements of cash flows

(Unaudited)

(All dollar amounts are expressed in thousands)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Operating activities</b>				
Net loss for the period	(1,968)	(5,950)	(204)	(7,021)
Add items not involving cash				
Amortization of property, plant and equipment and intangible assets	1,105	1,051	2,213	2,094
Amortization of deferred financing charges	10	10	21	21
Unrealized foreign exchange loss	91	-	91	-
Stock-based compensation	83	20	144	20
Accretion of asset retirement obligation	52	47	103	93
Interest on debt financing	-	53	-	53
Valuation of warrants	-	3,861	-	3,861
Non-cash disposal of property, plant and equipment	-	-	-	42
	(627)	(908)	2,368	(837)
Net change in non-cash working capital balances related to operations	5,775	(124)	1,391	907
	5,148	(1,032)	3,759	70
<b>Investing activity</b>				
Purchase of property, plant and equipment, net	(288)	(464)	(899)	(693)
<b>Financing activities</b>				
Proceeds from debt financing	-	1,380	-	1,380
Repayment of debt financing	(345)	(1,725)	(690)	(2,070)
Repayment of demand loan	-	(600)	-	(575)
Proceeds from issuance of common shares	-	46,700	-	46,700
Share issuance costs	-	(2,518)	-	(2,518)
	(345)	43,237	(690)	42,917
Effect of exchange rate on cash held in foreign currency	(91)	-	(91)	-
Net increase in cash and cash equivalents during the period	4,424	41,741	2,079	42,294
Cash and cash equivalents, beginning of period	19,125	755	21,470	202
<b>Cash and cash equivalents, end of period</b>	<b>23,549</b>	<b>42,496</b>	<b>23,549</b>	<b>42,496</b>
<b>Supplemental cash flow information</b>				
Interest paid	160	195	326	375