



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS

TORONTO, December 8, 2010 - BIOX Corporation (BIOX or the Company) (TSX: BX), a renewable energy company that designs, builds, owns and operates biodiesel production facilities, today announced its financial results for the fourth quarter of 2010 (Q4 2010) and the year ended September 30, 2010.

Highlights

- Production of methyl esters was 15.3 million litres for Q4 2010 compared with 15.2 million litres in the fourth quarter of 2009 (Q4 2009)
- Sales were \$7,255,000 in Q4 2010, compared to \$16,180,000 in Q4 2009
- Operating loss was \$2,773,000 in Q4 2010 compared with an operating income of \$1,112,000 in Q4 2009
- Operating loss prior to non-cash items⁽¹⁾ was \$1,721,000 in Q4 2010 compared to operating income prior to non-cash items of \$2,157,000 in Q4 2009
- Net loss was \$2,961,000 in Q4 2010 compared to a net income of \$605,000 in Q4 2009
- Net loss per share was \$0.07 in Q4 2010 compared to net income per share of \$0.03 in Q4 2009
- BIOX received notification from Natural Resources Canada (NRCan) that the Company's ecoENERGY application for a second 67 million litre per annum nameplate capacity biodiesel facility in Hamilton, Ontario has met all the requirements to be accepted for incentive funding, subject to funding becoming available under the program

"The implementation of RFS2 in the U.S. has created increased demand for our biodiesel, which has had a positive impact on pricing since July 1, 2010. As a result, the produce and store strategy we implemented in fiscal Q3 has been successful. By taking an opportunistic sales approach we have benefited from a rise in heating oil prices and RIN values," said Tim Haig, President and CEO of BIOX. "We believe RFS2 and the confirmation of minimum use requirements for 2011 are very important steps toward the evolution of a sustainable biodiesel industry. We intend to execute on our expansion plans and are currently evaluating options available to us both in Canada and the U.S. regarding the location of our next production facility."

Financial Highlights

Sales were \$7.3 million and \$40.2 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared to \$16.2 million and \$48.9 million for the corresponding periods in 2009. The change in sales is primarily the result of the implementation of a produce and store strategy implemented during the third quarter of fiscal 2010.

Direct expenses were \$7.2 million and \$39.8 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared with \$12.6 million and \$43.2 million for the corresponding periods in 2009. The decrease in direct expenses was a result of lower sales volumes for the quarter and the year ended September 30, 2010 compared with fiscal 2009.

General and administrative expenses were \$1.8 million and \$6.2 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared to \$1.5 million and \$5.2 million for the corresponding periods in 2009. The change was primarily due to additional administrative costs and professional fees as a result of BIOX becoming a public company on March 1, 2010.

Operating loss was \$2.8 million and \$10.0 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared with an operating income of \$1.1 million and operating loss of \$3.7 million for the corresponding periods in 2009. The increased operating loss in fiscal 2010 is due to lower sales, reduced per litre payments under Natural Resources Canada's ecoENERGY for Biofuels Program for qualified sales of biodiesel in accordance with the incentive rate schedule, and \$3.5 million of contingent revenue for fiscal 2010 that cannot be recognized unless and until the U.S. federal excise tax incentive is reinstated retroactively.

Operating loss prior to non-cash items⁽¹⁾ was \$1.7 million and \$5.8 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared with operating income of \$2.2 million and \$0.6 million for the corresponding periods in fiscal 2009.

Operating loss prior to non-cash items for BIOX Canada Limited (BIOX Canada) was \$0.1 million and \$0.6 million, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared with operating income prior to non-cash items of \$3.3 million and \$4.9 million for the corresponding periods in fiscal 2009.

Net loss and comprehensive loss was \$3.0 million or \$0.07 per fully diluted share and \$16.0 million or \$0.45 per share, respectively, for the three-month and twelve-month periods ended September 30, 2010 compared with net income of \$0.6 million or \$0.03 per share and a net loss of \$5.6 million or \$0.26 per share for the corresponding periods in fiscal 2009.

As at September 30, 2010, BIOX's available cash position amounted to \$21.5 million, which consisted of cash and cash equivalents and short-term investments, compared with \$0.2 million on September 30, 2009. Working capital as of September 30, 2010, was \$32.3 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 December 7, 2010, BIOX had 45,748,690 common shares outstanding, as well as options to purchase up to 525,000 common shares, and share purchase warrants to acquire up to 1,982,143 common shares.

Outlook

U.S. Renewable Fuels Standard

The U.S. Environmental Protection Agency (EPA) implemented the expanded RFS2 as of July 1, 2010. RFS2 requires the use of a minimum of 800 million U.S. gallons of Biomass-based diesel in 2011, increasing to a minimum of 1 billion U.S. gallons in 2012. From 2012 through 2022, a minimum of 1 billion U.S. gallons annually must be used domestically, and the Administrator of the EPA has the authority to increase the minimum volume requirement. In November, 2010, the EPA confirmed 2011 overall minimum use volumes, including a minimum 1.35 billion U.S. gallons of advanced Biofuels which must include a minimum 800 million U.S. gallons of Biomass-based diesel in U.S. diesel fuel. RFS2 has shifted the market in the U.S. from a voluntary market to an obligated market. Obligated parties can purchase biodiesel to meet their blending requirements or, alternatively, can purchase RINs on a standalone basis in the open market.

BIOX believes that the implementation of the expanded RFS2 has had, and will continue to have, a positive impact on the demand for biodiesel in the U.S. As discussed below, the value of RINs has increased significantly since July 1, 2010. BIOX's wholly-owned subsidiaries are each registered with the EPA as a Foreign Renewable Fuel Producer (BIOX Canada Limited), and as a Renewable Fuel Importer and Renewable Identification Number (RIN) Generator (BIOX USA Limited). Registration under RFS2 provides BIOX with access to the U.S. renewable fuels market, including the ability to generate RINs which are required by all U.S. refiners and

importers of transportation fuel to show compliance with RFS2. In order to capitalize on increasing values for heating oil and RINs, BIOX implemented a produce and store strategy in Q3 of fiscal 2010.

U.S. Federal Excise Tax Incentive

The U.S. federal excise tax incentive, referred to as the biodiesel tax incentive, expired on December 31, 2009. U.S. legislators continue to indicate publicly that their goal is to pass legislation which would extend the biodiesel tax incentive, however no such legislation has been adopted to date. Although BIOX believes that the reinstatement of the biodiesel tax incentive will eventually occur, the timing of the reinstatement cannot be predicted and it is possible the program will not be reinstated at all.

Bill C-33

Bill C-33, an Act to amend the Canadian Environmental Protection Act, 1999, was introduced in the House of Commons on December 3, 2007. The Bill was reported to the Senate, passed and given Royal Assent on June 26, 2008. 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. The final regulations were published in the Canada Gazette Part II on August 23, 2010. The first compliance period for the 5% renewable content in gasoline requirement is December 15, 2010 to December 31, 2012. Biodiesel qualifies as renewable content and therefore can be used to comply with the 5% requirement. BIOX Canada Limited is in the process of registering under the Canadian Environmental Protection Act in order that the biodiesel BIOX produces will qualify upon the December 15, 2010 commencement date. The commencement of the 2% renewable diesel requirement is expected to be implemented in 2011, subject to technical feasibility through an amendment to the regulations.

BIOX Production and Sales Strategy

BIOX continues to produce at or near target production levels. The Company has been opportunistic in its sales approach, selling biodiesel when prices warrant, and otherwise storing biodiesel for sale at a future date assuming higher values as a result of the implementation of RFS2 and/or the reinstatement of the biodiesel tax incentive. As uncertainty has continued regarding the reinstatement of the biodiesel tax incentive, combined with the implementation of RFS2, the value of RINs has increased significantly. 2010 Biomass-based diesel RINs are currently trading at approximately US\$0.92 per RIN compared with US\$0.27 on June 22, 2010. The price of heating oil has also risen significantly over the past four months and is currently trading at approximately US\$2.47 per U.S. gallon compared with US\$1.98 per US gallon at June 30, 2010 (the end of our third fiscal quarter), a 25% increase. As a result of the improved values for biodiesel, BIOX has sold and shipped all 12.3 million litres of biodiesel that were held in inventory at September 30, 2010.

Expansion Plans

BIOX submitted two applications to Natural Resources Canada (NRCan) for 67 million litre nameplate capacity production facilities in Hamilton, Ontario and Montreal, Quebec as part of the ecoENERGY for Biofuels program. Subsequent to September 30, 2010, BIOX announced that it had received notification from NRCan that the Company's ecoENERGY application for a second facility in Hamilton, Ontario has met all requirements to be considered for incentive funding. However, the ecoENERGY program is unable to fund all eight biodiesel projects that met the requirements due to insufficient funding. The funding envelope is insufficient to fund the Hamilton project at this time. BIOX continues to pursue discussions with the federal government to determine if additional funding can be made available in a timely manner to fund all applications that met the program requirements, including the second Hamilton facility. The Company is re-evaluating the options available to it in both Canada and the U.S. regarding the location of its next production facility in order to proceed with our expansion plans.

NRCan separately notified BIOX that its Montreal application did not meet the criteria required to be categorized as an advanced state of readiness project. As such the application did not undergo a full merit-based assessment and will not receive further consideration under the program.

BIOX's current estimate of the capital expenditures required for a second 67 million litre nameplate capacity plant is approximately \$29 million, down \$9 million from its previous estimate of \$38 million. Since submitting its ecoENERGY application in March 2010, BIOX has continued to optimize its design plans to reduce the capital required for its next facility. As was the case previously, this estimate includes only the process area and associated construction management, engineering and commissioning costs which would be incurred by the Company. BIOX intends to contract for storage, terminal services and utilities services with third parties which would bring the total estimate including these services to \$53 million. BIOX will not make significant capital commitments and other expenditures on expansion until a decision is finalized on the planned location of the next plant. That decision will be made after taking into account a variety of factors, including clarification regarding the potential availability of incentive payments under the ecoENERGY program, margins in BIOX's current base business as a result of the implementation of RFS2 and the reinstatement of the U.S. federal excise tax incentive. This deferral will delay the completion date of a second BIOX facility. The extent of the delay will be a function of the timing of NRCan's decision with respect to the inclusion of a second BIOX plant in the ecoENERGY program, and improved market conditions for the sale of biodiesel.

Notice of Conference Call

BIOX will hold a conference call today, December 8, 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 29084659. A live audio webcast of the call will be available at www.bioxcorp.com. The webcast will be archived for 90 days.

¹⁾ 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 BIOX's 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. For a reconciliation of operating income (loss) prior to non-cash items to operating income (loss), see table below.

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 twelve months ended September 30, 2010 and 2009:

	For the three months ended September 30,		For the twelve months ended September 30,	
	2010	2009	2010	2009
	(in thousands)			
Operating income (loss) before non-cash items	(\$1,721)	\$2,157	(\$5,759)	\$560
Production facility depreciation and amortization	(968)	(969)	(3,902)	(3,825)
Amortization of furniture, equipment and intangibles	(84)	(76)	(302)	(423)
Operating income (loss)	(2,773)	1,112	(9,963)	(3,688)

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 receiving funding for that plant under that program and resolution of the uncertainty surrounding the U.S biodiesel tax incentive; 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). 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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Financial results included below:

BIOX Corporation

Consolidated statements of operations and comprehensive loss

(in thousands, except share and per share amounts)

	Three months ended September 30,		Years ended September 30,	
	2010 \$	2009 \$	2010 \$	2009 \$
Sales	7,255	16,180	40,245	48,930
Cost of sales				
Direct expenses	7,241	12,552	39,831	43,196
Production facility depreciation and amortization	968	969	3,902	3,825
	8,209	13,521	43,733	47,021
Gross margin	(954)	2,659	(3,488)	1,909
Operating expenses				
General and administrative	1,735	1,471	6,173	5,174
Amortization of furniture, equipment and intangible assets	84	76	302	423
	1,819	1,547	6,475	5,597
Operating income (loss)	(2,773)	1,112	(9,963)	(3,688)
Other expenses				
Stock-based compensation	60	71	140	718
Interest and fees on loans	174	188	681	1,008
Financing and accretion	10	11	61	162
Disposal of property, plant and equipment	(58)	11	87	11
Expansion planning and development	6	-	472	-
Costs related to the qualifying transaction	-	-	634	-
Valuation of warrants	-	-	3,861	-
Loss on foreign exchange	50	227	225	67
	242	508	6,161	1,966
Net income (loss) before interest income	(3,015)	604	(16,124)	(5,654)
Interest income	54	1	118	9
Net income (loss) and comprehensive income (loss) for the period	(2,961)	605	(16,006)	(5,645)
Basic and diluted income (loss) per common and Class A common share	(0.07)	0.03	(0.45)	(0.26)
Weighted average number of common shares and Class A common shares outstanding	45,748,690	21,634,933	35,685,600	21,556,239

BIOX Corporation
 Consolidated statements of deficit
 (in thousands)

	Three months ended September 30,		Years ended September 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Deficit, beginning of period	88,382	75,942	75,337	69,692
Net income (loss) for the period	(2,961)	605	(16,006)	(5,645)
Deficit, end of period	<u>91,343</u>	<u>75,337</u>	<u>91,343</u>	<u>75,337</u>

BIOX Corporation

Consolidated balance sheets

(in thousands)

	September 30,	
	2010	2009
	\$	\$
Assets		
Current		
Cash and cash equivalents	21,470	202
Accounts receivable	3,475	9,094
Prepaid expenses and sundry assets	984	556
Inventory	13,752	3,729
	<u>39,681</u>	<u>13,581</u>
Restricted cash	1,173	1,173
Property, plant and equipment, net	57,758	58,728
Intangible assets, net	1,308	1,440
	<u>99,920</u>	<u>74,922</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	6,024	10,506
Demand loan	-	1,545
Current portion of long-term debt	1,380	1,380
	<u>7,404</u>	<u>13,431</u>
Long-term debt	9,666	11,005
Asset retirement obligation	2,059	1,872
	<u>19,129</u>	<u>26,308</u>
Shareholders' equity		
Capital stock	167,787	122,668
Warrants	3,151	-
Contributed surplus	1,196	1,283
Deficit	(91,343)	(75,337)
	<u>80,791</u>	<u>48,614</u>
	<u>99,920</u>	<u>74,922</u>

BIOX Corporation

Consolidated statements of cash flows

(in thousands)

	Three months ended September 30,		Years ended September 30,	
	2010 \$	2009 \$	2010 \$	2009 \$
Operating activities				
Net (income) loss for the period	(2,961)	605	(16,006)	(5,645)
Add items not involving cash				
Amortization of property, plant and equipment and intangible assets	1,052	1,045	4,204	4,248
Amortization of deferred financing charges	30	11	61	84
Debenture accretion	-	-	-	78
Stock-based compensation	60	71	140	718
Valuation of warrants	-	-	3,861	-
Accretion of asset retirement obligation	47	42	187	170
Non-cash disposal of property, plant and equipment	(58)	11	87	11
	<u>(1,830)</u>	<u>1,785</u>	<u>(7,466)</u>	<u>(336)</u>
Net change in non-cash working capital balances related to operations	<u>(5,521)</u>	<u>(570)</u>	<u>(9,516)</u>	<u>(253)</u>
	<u>(7,351)</u>	<u>1,215</u>	<u>(16,982)</u>	<u>(589)</u>
Investing activities				
Purchase of property, plant and equipment, net	(1,392)	(29)	(2,913)	(1,875)
Increase in restricted cash	-	-	-	(1,173)
Investment tax credit paid (refund)	(74)	118	(74)	118
	<u>(1,466)</u>	<u>89</u>	<u>(2,987)</u>	<u>(2,930)</u>
Financing activities				
Proceeds from debt financing	-	-	1,380	13,800
Repayment of issuance of secured debentures	-	-	-	(13,600)
Repayment of debt financing	(345)	(345)	(2,760)	(1,035)
(Repayment of) proceeds from demand loan	(980)	(1,045)	(1,545)	1,545
Financing charges	(20)	-	(20)	(412)
Proceeds from issuance of common shares	-	-	46,700	6
Share issuance costs	-	-	(2,518)	-
	<u>(1,345)</u>	<u>(1,390)</u>	<u>41,237</u>	<u>304</u>
Net increase (decrease) in cash and cash equivalents during the period	(10,162)	(86)	21,268	(3,215)
Cash and cash equivalents, beginning of period	31,632	288	202	3,417
Cash and cash equivalents, end of period	<u>21,470</u>	<u>202</u>	<u>21,470</u>	<u>202</u>