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OPERATOR: Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the BIOX Corporation 2011 Q4 Financial Results Conference Call. At this time, all participants are in a listen only mode. Following the presentation we will conduct a question and answer session. Instructions will be provided at that time for you to queue up for questions. If anyone has any difficulties hearing the conference, please press star, then zero for operator assistance at any time.

Listeners are reminded that portions of today's discussion including responses to questions posed in today's call could constitute forward looking statements that are subject to risks and uncertainties relating to BIOX's future financial or business performance and condition. Actual results could differ materially from those anticipated in these forward looking statements. Risk factors that may affect results are detailed in BIOX's filings with Canadian securities regulatory authorities which can be accessed at www.SEDAR.com.

Please note that BIOX is under no obligation to update any forward looking statements discussed today except as required by applicable law and investors are cautioned not to place undue reliance on these statements.

I would now like to remind everyone that this call is being recorded on Wednesday, December 7th, 2011 at 9:00 a.m. Eastern time. I would now like to turn the conference over to Mr. Kevin Norton, Chief Executive Officer of BIOX. Please go ahead, sir.

KEVIN NORTON (Chief Executive Officer, BIOX Corporation): Good morning, everyone. Thank you for joining us on today's call. This morning we issued our 2011 fourth quarter financial results by press release and a copy of those results is available on our website at www.BIOXcorp.com.

With me today is Chris Clinning, our Executive Vice President and CFO. I'll summarize the key events of the quarter for BIOX as well as the biodiesel sector, and then Chris will review our financial results for fiscal Q4 2011. I'll then close with a few comments followed by Q&A.

2011 was a watershed year for BIOX. Our production continues to be strong and within our target range. The RFS2 mandates are driving strong demand for biodiesel in the U.S. market which is having a positive impact on pricing. These two factors combined to deliver the fourth consecutive quarter of strong performance and record results on both quarterly and annual basis. Both our operating income and net income are positive, and our annualized operating income prior to non-cash items at the plant level, reached $20 million. Achieving this annualized $20 million figure is a significant milestone for us. As part of our planning, we have always been confident that a 67 million litre nameplate capacity facility could generate $20 million on an annual basis once the mandates are in place. As the U.S. market has evolved since the implementation of the RFS2 in July of 2010, that belief has now been borne out.

With this momentum, we are proceeding forward with our second production facility which will be located in the United States and have an annual nameplate capacity greater than our existing Hamilton plant. We are now in the process of finalizing definitive agreements with the owner of that site for the land lease, long term tank rentals, terminal services and other infrastructure requirements. This site, which is located within a major transportation hub, is consistent with our strategy of locating our facilities adjacent to large scale petroleum storage and diesel distribution infrastructure, users of petroleum diesel and blenders of biodiesel in order to minimize transportation costs to them. We are proceeding with the detailed planning phase of the project, including the commencement of the permitting process. Our current estimate for the date of completion of the facility for commissioning is December, 2013.

At the Hamilton facility during Q4, we produced 15.9 million litres in methyl ester compared to 15.3 million litres last year. The ratio of biodiesel to methyl esters produced was 90.8 percent in Q4 compared to 90.0 percent for the same period last year. For the full year period of fiscal 2011, we produced 60.7 million litres of methyl esters compared to 57.1 million in fiscal 2010. These production metrics are within our target range.

Most significantly, we are now able to clearly demonstrate the positive impact that the U.S. mandate is having. That is, improved value for biodiesel and consequently significant improvements in our financial results. In our view, in order for there to be sufficient biodiesel production to meet the blending requirements of the RFS2, the price of biodiesel must allow the soy-based biodiesel producers to earn a margin because soya (phon) oil is the primary biodiesel feedstock under traditional production practices. If that margin does not exist, those producers would redirect the soya oil to be used for alternative purposes that would provide a better margin.

As the obligated parties, which consist of the refiners and importers, have moved ahead to meet their blending mandates by purchasing biodiesel to blend or RINs to comply with the mandate, we have seen the value of RINs move up significantly since July of 2010.

As of December 6, RINs were trading at $1.30. Keep in mind, that for each U.S. gallon we produce, we generate 1.5 RINs, or $1.95 at this current price. With the increase in the value of RINs data out of the U.S. shows that production utilization is improving, with facilities that were shut down during 2009 and 2010 coming back online. This is a positive development in our view as we want sufficient production online in order to fulfill the mandate. As a low-cost producer of commodity product, we are in a strong position to compete for the business.

However, we have also witnessed significant volatility within the RIN market as the impact of the compliance systems take effect. Specifically, the EPA has notified refiners and importers of two specific U.S. biodiesel producers that are being investigated for allegedly issuing fraudulent RINs without the actual physical production required to support them. In their notification, the EPA made it clear that refiners and importers are responsible for replacing the fraudulent RINs with valid ones in order to meet their compliance obligation. In our view, this is another positive development, as it encourages the obligated parties to perform due diligence and to deal with credible producers and RIN generators like BIOX.

The U.S. EPA has recommended an increase to the minimum volume requirements in the U.S. for 2012 and 2013. This represents a 60 percent increase in the demand between 2011 and 2013, and provides clarity to the refiners and importers of their obligations to blend under the RFS2. The recommendation requires 1 billion U.S. gallons of biomass-based diesel to be blended in 2012, and 1.28 billion gallons in 2013.

Lastly, the U.S. biodiesel tax incentive is set to expire on December 31st, 2011. It is difficult to predict whether the incentive will be renewed at all, either before the end of the year or potentially retroactively, as it was in 2010. In our view, the incentive was critical to the formation of the industry prior to the implementation of the mandate in order to generate sufficient supply to fulfill the minimum volume requirements. However, with the mandate now in place, and working, and with the EPA's recommendation to increase the volume requirements, the industry is in a much stronger position than it was in 2010. We intend to monitor the situation closely over the coming months as the impact of the expiry of the incentive on the value of RINs and the production utilization in the U.S. becomes clear.

From an operations perspective, during our regularly planned semi-annual maintenance shutdown in Q4, we began making the upgrades to the Hamilton facility for our glycerin upgrade project. These technical advancements to our system will allow us to capture the full value and margin contribution from the production of technical grade glycerin. The glycerin project will be implemented in the original design of all future facilities. We expect to complete the project at the Hamilton facility during the first half of calendar 2012.

With that, I will turn it over to Chris to review the financial results.

CHRIS CLINNING (Chief Financial Officer, BIOX Corporation): Thank you, Kevin, and good morning, everyone. The full year and fourth quarter periods produced record financial results. Sales of methyl esters for the three and twelve month periods ended September 30th, 2011 were 13.2 million litres and 72.6 million litres compared to 9.6 million and 46.3 million litres for the same period in 2010, a 38 percent and a 57 percent sales volume increase, respectively. Our sales revenue for the quarter was 23 million and 97.3 million for the full year, a 215 percent and a 142 percent increase for the corresponding periods last year. The improvement in both the quarter and the year-to-date periods was partly attributable to the uncertainty surrounding the reinstatement of the U.S. federal tax incentive program, which negatively impacted the sale price of our biodiesel in 2010.

On December 17th, 2010, the incentive was reinstated on a retroactive basis to January 1st, 2010, adding 3.5 million in revenue related to biodiesel sales for the fiscal year ended September 30th, 2011. As well, the produce and store strategy we implemented during the third quarter of fiscal 2010, increased the availability of inventory for sale at higher prices in the first quarter of fiscal 2011. Lastly, and most importantly, from a trend perspective, the implementation of RFS2 has increased the demand for biodiesel and our revenue per litre sold has also increased.

Since the implementation of RFS2 on July 1st, 2010, the value of our biodiesel is impacted by both changes in the heating oil rack rate and changes in RIN values. Average revenue per litre of biodiesel sold for Q4 was $1.75 compared with $0.81 per litre for Q4 2010, and $1.46 per litre last quarter. This clearly demonstrates just how much the market for biodiesel has improved. Fiscal 2011 average revenue per litre of biodiesel sold was $1.41, an increase of 53 percent compared with an average revenue per litre of biodiesel sold of $0.92 for fiscal 2010. These improvements are due to the increases in the average heating oil rack rate and RIN values.

Our direct expenses for the quarter were 17.7 million compared with 7.2 million in 2010, and for the twelve month period our direct expenses were 82.5 million compared with 39.8 million in fiscal 2010. The increase was partially a result of higher sales volumes and increased cost of feedstock, which rose by an average of 30 percent in 2011 from $720 per tonne to $933 per tonne. Feedstock cost accounted for 72 percent of total direct cost for the year ended September 30th, 2011 compared with 74 percent in fiscal 2010. The increase in feedstock cost is in line with the increase in commodity cost for fats and oils. We monitor feedstock cost on an ongoing basis to ensure we source product at an optimal price, taking full advantage of our multi-feedstock capability.

Subsequent to the end of the year, the cost of feedstock we used has softened. In this commodity market, the key metric for us is the relationship between the value we receive for our biodiesel and the price we pay for feedstock. As our results indicate, the spread between these two items has increased significantly during the course of 2011 from $0.17 per litre in September 2010 to $0.80 per litre in September 2011, a 371 percent increase. So while feedstock cost did increase over the period, the value we receive for our biodiesel outpaced that increase. The widening spread is having a positive impact on our bottom line.

Operating income prior to non-cash items was 2.8 million for the quarter compared with an operating loss prior to non-cash items of 1.7 million in the same period last year. Year-to-date operating income prior to non-cash items was 6.7 million compared with an operating loss prior to non-cash items of 5.8 million for the corresponding period in 2010. The increased operating income prior to non-cash items year-to-date was primarily due to the significantly higher gross margins achieved in fiscal 2011 for the reasons that I mentioned previously. Combined operating income prior to non-cash items for BIOX Canada and BIOX USA Ltd., was 5 million for Q4 compared with an operating loss prior to non-cash items of 0.1 million in the same period last year.

As Kevin mentioned earlier, our belief has been that in a mandated market we could generate in the range of $20 million on an annual basis at the plant level, annualizing the Q4 performance of 5 million puts us right at that range. For the year, combined operating income prior to non-cash items for BIOX Canada and BIOX USA was 13.8 million compared with an operating loss prior to non-cash items of 0.4 million in the same period last year.

Net income and comprehensive income for Q4 was 8.3 million or $0.18 per share compared with a net loss -- and comprehensive loss of 3 million or $0.07 per share in the same period last year. For the year, net income and comprehensive income was 5.6 million or $0.12 per share compared with a net loss and comprehensive loss of 16 million or $0.45 per share in fiscal 2010. The improvement in net income was primarily due to the combined impact of significantly higher gross margins achieved in fiscal 2011 compared with fiscal 2011 -- compared with 2010, and the recognition of 6.6 million of future income tax assets in Q4 2011, which impacted both the Q4 and full year results. After recognition of this asset, we still have a $10.8 million net future income tax asset valuation allowance primarily for the future tax assets of BIOX Corporation. We intend to investigate tax planning opportunities to maximize these assets and to recognize them if and when appropriate, based on the relevant accounting guidelines. The improvement in net income during the full year period was also impacted by 4.5 million in cost incurred in fiscal 2010 related to the warrant valuation and net cost of the amalgamation.

As at September 30th, 2011, we had $13.5 million in inventory compared with $13.8 million at September 30, 2010. And as at September 30th, 2011 we had a cash balance of 27.9 million compared with 21.5 million at September 30th, 2010. And our working capital balance at September 30th, 2011 was 39.6 million.

In summary, our production figures remain consistent and we continue to benefit from the improved fundamentals of the broader biodiesel market that have provided significantly higher gross margins. As such, our combined operating income prior to non-cash items at both the plant level and at the consolidated level are now positive and improving. We look forward to providing you with additional updates. With that, I'm going to turn it back over to Kevin for closing comments. Thank you again for your time and your continued support.

KEVIN NORTON: Thanks, Chris. As you can see, 2011 was a record year for BIOX. We continue to produce within our target range at the Hamilton facility, the impact of the RFS2 is clearly being demonstrated as our bottom line performance improves. The market for biodiesel is expanding with the increase in the minimum volume requirements in the U.S. and Canada, and, as such, we are proceeding with our expansion plans for a second production facility located in the United States. As Chris mentioned, the spread has widened between the value received for our biodiesel and our feedstock cost, as in any commodity market, we anticipate periods of volatility in either or both the RINs market and the feedstock market. But what should be clear now is that we are a low-cost producer in a market that is legislated to grow, which is a great position to be in and makes us enthusiastic about our future.

Thank you for your continued support. I'd like to ask the operator to open the call up for questions.

OPERATOR: If you would like to ask a question please press star, then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

And your first question comes from the line of John McIlveen from Jacob Securities. Your line is open.

JOHN MCILVEEN: Good morning. Two housekeeping questions here 'cause I don't think I've seen the MD&A or full statements released yet. What was your cost of processing this quarter on a per litre basis?

CHRIS CLINNING: Hi, John. It's Chris. For the quarter, our cost was -- our total direct cost of sale was $1.35 a litre.

JOHN MCILVEEN: So that's input and processing.

CHRIS CLINNING: Yes.

JOHN MCILVEEN: Do you have the breakout between the two?

CHRIS CLINNING: Sure. It was -- it's... let me just... our feedstock cost for the quarter was about $0.97. I think I mentioned that... but maybe

I didn't. It was about $0.966, so the balance is the chemicals, energy, salaries and wages, shipping costs, et cetera.

JOHN MCILVEEN: Okay. Production was 15.9, what was actual sales in litres?

CHRIS CLINNING: We did 14.4 million in production of biodiesel and sold 13.1 million and we produced 1.5 million in heavies but we only sold just over 100,000 litres heavies.

JOHN MCILVEEN: 100,000 litres heavies.

CHRIS CLINNING: So we built a little bit of inventory at the end of the year. Frankly it was the result of some logistics issues down in New York. You may recall the hurricane actually shut down the terminal for a while and then right near the end of the month there was some bad weather that, you know, prevented us from shipping some of the product right at the quarter end, but it'll be in next quarter.

JOHN MCILVEEN: Okay. So it was 14.4 produced, 14.1 sold and on the heavies 100,000, and what was the production again on the heavies?

CHRIS CLINNING: 1.4 million -- or 1.5 million.

JOHN MCILVEEN: Okay. And is the -- moving on to the two capital budgets here for the -- is there any update on the CAPEX budgets for both the upgrade of Hamilton and the new build project?

CHRIS CLINNING: The upgrade in Hamilton is on plan, so there's no changes there in terms of the 4.8 million. In terms of the new facility in the U.S., we haven't indicated a number in our disclosure because we're looking at the sizing of the plant in that location, which, as we've indicated, is going to be larger than the Hamilton facility, but I think it's safe to say that it will be lower from a -- on a per litre basis in terms of the cost for the processing area. So we had talked before about 30 million for 67 million -- $30 million for a 67 million litre facility, so it'll be less than that on a per litre basis.

JOHN MCILVEEN: Okay. And finally, just to comment on the current pricing on selling and inputs you're seeing in the fourth quarter so far, you know, a very top down indication?

CHRIS CLINNING: Well I think as we've talked about before, I mean, our sales cycle's really a combination of the current quarter and the prior quarter, so if you look at that, you'll see that, you know, obviously there's been a trend down in the B100 price but that's not necessarily impacting us in Q1. We also obviously are selling the product in a number of different ways in order to maximize the value of that product, and so we have a bit of production (phon) protection there. Certainly the -- our feedstock cost have decreased fairly significantly recently in the last several weeks, so, you know, overall, it's -- you know, we're in pretty good shape. I don't know if you wanted more specifics on that, John, but.

JOHN MCILVEEN: Well I guess in this kind of market you've got two moving parts, more importantly, how does the spread look so far in calendar Q4 compared to calendar Q3?

CHRIS CLINNING: I think it's fair to say that if you look at the numbers on the posted rates it's been moving pretty much in lockstep when you consider the RIN values, et cetera, so it's not a lot different.

JOHN MCILVEEN: Okay, thanks very much.

CHRIS CLINNING: You're welcome.

OPERATOR: Your next question comes from the line of Mac Whale from Cormark Securities. Your line is open.

MACMURRAY WHALE: Hi, guys. Actually my question was about exactly the last issue just talked about, but just to be clear I mean if it's a high price per litre sold in the quarter, you've seen some decline in feedstock and really from my understanding you're really managing to a margin per litre, so you would expect you -- I would expect your pricing will come down in the quarter, but do you think you can still get a wider margin? I mean have -- because I know what -- the biodiesel's come down but that's beside the point. I mean you're stripping the RINs and you have an ability to sell the products in a much more flexible way, so are you in fact seeing this quarter and the last couple of weeks with feedstock down an increase or stabilization in the margin per litre?

CHRIS CLINNING: HI, Mac. It's Chris. Well I mean we're really not -- we're not giving forward information, forecast information frankly, so I really have to stick with what the public numbers are in terms of the rates for feedstock and the posted rates for biodiesel and RIN values, et cetera. But again I think if you look at that, you're right, as prices come down and feedstock comes down, you know, our revenue per litre could drop but our margin would stay effectively the same and I think that's the way we've always looked at it and I think you'll see that that's the way the trend really is in the market.

MACMURRAY WHALE: Okay. Well, and maybe if I approach it a different way. If you have a targetted margin per litre and are you still above that? Without giving those numbers.

CHRIS CLINNING: Well I think, as we talked about, our belief has been that in the mandate, in the long run, you know, we can run -- we can generate that $20 million worth of operating income prior to non-cash items out of that Hamilton facility. Will it be different from quarter to quarter? I think that's -- you know, absolutely it will, but we're confident we can do that -- those kind of numbers overall and I don't see a big change in that in the very near term, if that gives you enough information.

MACMURRAY WHALE: Sure. Yes. Okay, so moving on to the G&A then. It's higher in the quarter from year-end, like bonuses, that type of thing, is -- so we'll expect that this type of level every sort of Q4 or was there some, still some capitalization of plant to development in there?

CHRIS CLINNING: No, the impact on G&A this quarter was a combination of bonuses at year-end and some costs related to the CEO transition. In future periods, frankly, this year, because this is our first year of profitability, and the way our bonus plan works, you know, there wasn't clarity until we got to Q4 in terms of the mechanisms in the bonus plan to actually pay that out, so we couldn't accrue any bonus throughout the year. It's just an accounting issue. Now that we have that history and the way the bonus plan works going forward, you know, we will be making those accruals as we progress throughout the year. So, it won't be that big jump in Q4, it'll be basically (cross talking) to the accrual process.

MACMURRAY WHALE: Okay. And then just on the tax assets. Should I -- were you trying to telegraph that you'll be fairly aggressive on monetizing those tax assets and should we be thinking of that or did you just -- are you really trying to say, we have some options to monetize it?

CHRIS CLINNING: Well not really monetize, right. I mean it's a non-cash asset that we're recognizing which basically is the deferral of taxes payable for a long period of time. We've always basically provided against them because the accounting rule is you have to -- it has to be more likely than not that you'll realize on those assets and in the past that hasn't been the case and now it is. And as I mentioned in the script, you know, we've looked at it on a legal entity basis and BIOX Canada and BIOX USA, it's pretty clear, BIOX Corp it's not so clear because BIOX Corp does not have a lot of revenue, just a little bit of interest revenue and some intercompany charges but what we are going to do, now that we've got the underpinning of profitability is that we are going to look at a way to, ways to obviously realize those tax assets in BIOX Corporation, not in terms of monetizing but in terms of recognition of them because hopefully we'll be able to avoid paying those taxes in future periods.

MACMURRAY WHALE: Okay. Okay, that's all I have. Thanks, guys.

CHRIS CLINNING: Thanks, Mac.

OPERATOR: And again, if you would like to ask a question, please press star, then the number one on your telephone keypad. And your next question comes from the line of Rob Cavallo from Mackie Research. Your line is open.

ROBERT CAVALLO: Good morning, guys.

CHRIS CLINNING: Hey, Rob.

ROBERT CAVALLO: Maybe just the first question is a bit more on I guess the blender credit where there's still I guess (inaudible), is going to be renewed or what's going to happen there? What is your, I guess your sense that you're getting from your customers? Are they looking to stockpile this quarter or what's the sort of sense that you're getting from them in terms of how they plan to address this, you know, uncertainty?

KEVIN NORTON: I think right now, Rob -- it's Kevin. I think the sense right now is we're really -- we're not -- I think there... let me take a step back. I think there may be some of that happening in the earlier parts of the new year, but I think we're not seeing any of that right at this point. I think there is still some expectation that the blenders tax credit may be renewed or clarity will be provided before the end of the year. But currently, I mean it's sort of business as usual at this particular in time.

ROBERT CAVALLO: Okay, so, if we're kind of thinking about this quarter, I guess the Q1 of fiscal '12, you know, we're not going to see any impact but would you expect to see potentially a little bit of a dip going into the calendar one, calendar Q1 with maybe the offset coming in in the back half of the year or is it still, you know, difficult to say at this point?

KEVIN NORTON: It's a little bit difficult to say but I think, realistically, I think we're kind of expecting a little bit of a dip in the early part of the quarter for next year. I think we're hoping that if it's not cleared up by the end of this year that within the first quarter of 2012 that we'll have that clarity and by the end of the quarter it'll be, of calendar 2012 it'll be rectified.

ROBERT CAVALLO: Okay, and maybe on the new plant, I know that you did say that it's going to be a larger production capacity than the existing Hamilton facility, but, if we were to look at it, let's say, apples-to-apples and assume it was the same production capacity, would you anticipate a higher or lower number than -- or I guess a higher or the same number or that 20 million in essentially EBITDA that you talked about at the plant level at Hamilton?

KEVIN NORTON: It would be higher based on the additional capacity of that facility.

ROBERT CAVALLO: But we're looking at it on a comparable I guess litre capacity, so forget -- assuming that the facility wound up at the same size as Hamilton -- I guess what I'm getting at is there any I guess logistical savings or any other cost that would come out of your -- that would improve your margin at the new facility or do we think of it as the same margin but at a higher capacity?

CHRIS CLINNING: Sorry, Rob. It's Chris. There are a number of pushes and pulls in those numbers in terms of logistics because obviously we're shipping product down to the U.S. today, but then of course there are differences in the incentives as well. We have the producer payment (phon) in Canada which is declining over time. So when you look at it overall it's really, you know, it's about the same.

ROBERT CAVALLO: Okay, that's great. That's it for me. Congratulations on the quarter.

CHRIS CLINNING: Thank you.

OPERATOR: And again, if you would like to ask a question, please press star, then the number one on your telephone keypad. Your next question comes from the line of John McIlveen from Jacob Securities. Your line is open.

JOHN MCILVEEN: Yes. What was the eco-energy revenue in the quarter?

CHRIS CLINNING: Let me just look that up here for you, John. Hang on a minute. It was 2,349,000.

JOHN MCILVEEN: Two-three-four-nine. Okay, that's all I have, thanks.

CHRIS CLINNING: Great.

OPERATOR: And there are no further questions in queue.

KEVIN NORTON: Okay. Thank you very much -- thank you, everyone, for joining us this morning. We look forward to updating you on our progress as we proceed with our second production facility, as well as on the developments related to the broader biodiesel sector. Thanks. That's all for today and thank you very much and have a great day.

CHRIS CLINNING: Thank you, everyone. Take care.

OPERATOR: And this concludes today's conference call. You may now disconnect.

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