



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES RECORD FOURTH QUARTER FINANCIAL RESULTS

TORONTO, December 7, 2011 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that designs, builds, owns and operates biodiesel production facilities, today announced its fiscal 2011 fourth quarter (Q4 2011) and year end financial results for the three-month and twelve-month periods ended September 30, 2011.

Highlights

- Production of methyl esters was 15.9 million litres in Q4 2011 compared to 15.3 million litres in Q4 2010
- Sales were \$22,989,000 in Q4 2011 compared to \$7,255,000 in Q4 2010
- Operating income was \$1,694,000 in Q4 2011 compared to an operating loss of \$2,773,000 in Q4 2010
- Operating income prior to non-cash items⁽¹⁾ was \$2,829,000 in Q4 2011 compared to an operating loss prior to non-cash items of \$1,721,000 in Q4 2010
- Net income was \$8,299,000 in Q4 2011 compared to a net loss of \$2,961,000 in Q4 2010
- Net income per share was \$0.18 in Q4 2011 compared to a net loss per share of \$0.07 in Q4 2010
- Finalizing agreements to allow BIOX to construct a second production facility at a site identified in the U.S.
- The U.S. Environmental Protection Agency recommended an increase to the minimum volume of Biomass-based diesel, as part of the expanded U.S. Renewable Fuel Standard 2 (RFS2), from the current level of 0.8 billion U.S. gallons in 2011 to 1 billion U.S. gallons in 2012 and 1.28 billion U.S. gallons in 2013.
- Initiated upgrades and technological advancements to the Hamilton production facility to capture the full value and margin contribution of glycerin, a by-product of biodiesel production, by producing technical grade product

"2011 was a watershed year for BIOX as well as the biodiesel market in North America. Demand in the U.S. market for biodiesel is driving strong sales at BIOX as U.S. refineries and importers respond to the implementation of mandated minimum volumes of biodiesel under the RFS2 policy," said Kevin Norton, CEO of BIOX. "RFS2 has driven a repricing of biodiesel, from a value based on the cost of petroleum diesel prior to the mandates, to a value based on the actual production costs plus a margin. As a low cost producer of biodiesel, during Q4 we generated annualized operating income prior to non-cash items at the operating company level of \$20 million. While we anticipate fluctuations in pricing and costs in the commodity market in which we operate, we are confident that as a low cost producer we can compete effectively in a market that is legislated to grow in 2012 and 2013. As such, we are proceeding forward with our second production facility, which will be located in the U.S. and will be larger than our existing Hamilton facility."

Financial Highlights

Sales were \$23.0 million and \$97.3 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with \$7.3 million and \$40.2 million for the corresponding periods in 2010. The increase was due to a combined increase in sales volume, as a result of the produce and store strategy we implemented in 2010, and higher revenue per litre of biodiesel sold.

Direct expenses were \$17.7 million and \$82.5 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with \$7.2 million and \$39.8 million for the corresponding periods in 2010. The increase in direct expenses in 2011 was due to higher sales volumes and higher cost per litre sold as a result of changes in commodity prices, primarily the price of feedstock.

General and administrative expenses were \$2.5 million and \$8.1 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with \$1.7 million and \$6.2 million for the corresponding periods in 2010. The change in the twelve-month period was due in part to \$1.0 million of non-recurring costs related to the CEO transitions, increased bonus accruals, as well as increased administrative and professional fees related to a full year relative to the partial year from the previous period as a result of BIOX becoming a public company on March 1, 2010.

Operating income was \$1.7 million and \$2.3 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with operating loss of \$2.8 million and \$10.0 million for the corresponding periods in 2010. The increase in operating income during the three and twelve-month periods in 2011 was primarily due to significantly higher gross margins achieved in fiscal 2011 compared with 2010.

Operating income prior to non-cash items was \$2.8 million and \$6.7 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with operating loss prior to non-cash items of \$1.7 million and \$5.8 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 \$5.0 million and \$13.8 million, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with operating loss prior to non-cash items of \$0.1 million and \$0.4 million for the corresponding periods in 2010.

Net income and comprehensive income was \$8.3 million or \$0.18 per share and \$5.6 million or \$0.12 per share, respectively, for the three-month and twelve-month periods ended September 30, 2011, compared with net loss and comprehensive loss of \$3.0 million or \$0.07 per share and \$16.0 million or \$0.45 per share for the corresponding periods in 2010. The increase in the three-month period was primarily due to significantly higher gross margins achieved in Q4 2011 compared with the same period last year and the recognition of \$6.6 million of future income tax assets in Q4 2011. The increase in the twelve-month period was a result of the combined impact of significantly higher gross margins achieved in fiscal 2011 compared with fiscal 2010, the recognition of \$6.6 million of future income tax assets in fiscal 2011 as well as \$4.5 million in costs incurred in fiscal 2010 related to the warrant valuation and net costs related to the amalgamation.

As at September 30, 2011, BIOX's available cash position amounted to \$27.9 million, compared with \$21.5 million on September 30, 2010. Working capital as of September 30, 2011, was \$39.6 million. BIOX 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 production facility, which will be located in the U.S. and will be larger than its existing Hamilton facility, as detailed in the "Outlook Expansion Plans" section below (subject to certain assumptions which are detailed in BIOX's management's discussion and analysis for the twelve months ended September 30, 2011).

As at September 30, 2011, the Company had 45,748,691 common shares outstanding, as well as outstanding stock options to purchase 1,400,000 common shares and share purchase warrants to acquire up to 1,982,143 common shares.

Outlook

U.S. Renewable Fuels Standard

Effective July 1, 2010, the expanded RFS2 specifically provides for a renewable component in U.S. diesel fuel. RFS2 requires the use of 0.8 billion U.S. gallons of Biomass-based diesel in 2011, increasing to 1 billion gallons in 2012. From 2012 through 2022, a minimum of 1 billion U.S. gallons must be used domestically each year, and the Administrator of the U.S. Environmental Protection Agency (EPA) has the authority to increase the minimum volume requirement. The EPA has recommended that the minimum volume of Biomass-based diesel will be 1 billion U.S. gallons in 2012 and increase to 1.28 billion U.S. gallons in 2013.

BIOX's wholly-owned subsidiaries are registered with the EPA as a Foreign Renewable Fuel Producer (BIOX Canada Limited), and as a Renewable Fuel Importer and RIN Generator (BIOX USA Limited). Registration under RFS2 provides BIOX with access to the U.S. renewable fuels market, including the ability to generate Renewable Identification Numbers (RINs) which are required for obligated parties in the U.S., which includes all refiners and importers of transportation fuel, to show compliance with RFS2. 1.5 RINs are issued per U.S. gallon of Biomass-based diesel sold in the U.S.

Expansion Plans

The increased demand for biodiesel as a result of RFS2 in the U.S. has had a positive impact on pricing. This impact is reflected by the rise in value of RINs, the RFS2 compliance mechanism, which traded at \$1.30 as of December 6, 2011. The mandated Biomass-based derived diesel minimum volume requirement in the U.S., including the recommended increases to that minimum volume requirement, is an important step in the evolution of a sustainable biodiesel industry.

As such, BIOX is proceeding with its planned expansion for a second BIOX facility, which will be located in the U.S. and will be larger than BIOX's existing Hamilton facility. The Company is in the process of finalizing definitive agreements with the owner of the site for the land lease, long term tank rentals, terminal services and other infrastructure requirements. This site, which is located within a transportation hub, is consistent with BIOX's strategy of locating its facilities adjacent to large scale petroleum storage and diesel distribution infrastructure and users of petroleum diesel and blenders of biodiesel in order to minimize transportation costs to them. BIOX is proceeding with the detailed planning phase of the project, including commencement of the permitting process. Its current estimate for date of completion of the facility for commissioning is December, 2013.

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 5% renewable content requirement in gasoline is December 15, 2010 to December 31, 2012. The compliance period for the 2% renewable fuel content requirement in diesel fuel and heating oil is July 1, 2011 to December 31, 2012. BIOX's biodiesel qualifies as renewable content and can therefore be used to comply with the program obligations. These minimum volume requirements bring the Canadian biodiesel blending mandates more closely in line with the U.S. market and its expanded RFS2 regulation, and provide clarity for Canadian diesel refineries and importers that BIOX believes will ultimately drive new demand for biodiesel in Canada. While BIOX continues to be the largest producer of biodiesel in Canada, it currently sells nearly all of its product into the U.S. market. The implementation of these Canadian regulations significantly increases the accessible market for the BIOX's product in Canada, which supports its expansion plans.

Notice of Conference Call

BIOX will hold a conference call today, December 7, 2011, at 9:00 a.m. EST hosted by Mr. Kevin Norton, Chief Executive Officer, and Mr. Chris Clinning, Executive Vice President and 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 (855) 859-2056 and enter reservation number 33312315. 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 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 net 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 net income (loss) for the three months and twelve months ended September 30, 2011 and 2010:

(in thousands)	Three months ended September 30		Year ended September 30	
	2011	2010	2011	2010
Operating income (loss) before non-cash items	\$2,831	\$(1,721)	\$6,732	\$(5,759)
Production facility depreciation and amortization	\$(1,055)	\$(968)	\$(4,126)	\$(3,902)
Amortization of furniture, equipment and intangibles	\$(82)	\$(84)	\$(331)	\$(302)
Operating income (loss)	\$1,694	\$(2,773)	\$2,275	\$(9,963)
Future income tax recovery	\$6,552	-	\$6,552	-
Other income (expenses)	\$53	\$(188)	\$(3,205)	\$(6,043)
Net income (loss)	\$8,299	\$(2,961)	\$5,622	\$(16,006)

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 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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BIOX Corporation

Consolidated statements of operations and comprehensive income (loss)

(Unaudited)

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

	Three months ended		Years ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Sales	22,989	7,255	97,330	40,245
Cost of sales				
Direct expenses	17,683	7,241	82,484	39,831
Production facility depreciation and amortization	1,055	968	4,126	3,902
	18,738	8,209	86,610	43,733
Gross margin	4,251	(954)	10,720	(3,488)
Operating expenses				
General and administrative	2,475	1,735	8,114	6,173
Amortization of furniture, equipment and intangibles	82	84	331	302
	2,557	1,819	8,445	6,475
Operating income (loss)	1,694	(2,773)	2,275	(9,963)
Other expenses				
Stock-based compensation	120	60	380	140
Interest and fees on loans	181	174	663	681
Financing	4	10	35	61
Loss on extinguishment of debt	304	-	304	-
Disposal of property, plant and equipment	-	(58)	-	87
Expansion planning and development	63	6	1,967	472
Costs related to the qualifying transaction	-	-	-	634
Valuation of warrants	-	-	-	3,861
(Gain) loss on foreign exchange	(688)	50	32	225
	(16)	242	3,381	6,161
Net income (loss) before interest income	1,710	(3,015)	(1,106)	(16,124)
Future income tax recovery	6,552	-	6,552	-
Interest income	37	54	176	118
Net income (loss) and comprehensive income (loss) for the period	8,299	(2,961)	5,622	(16,006)
Income (loss) per common share				
Basic	0.18	(0.07)	0.12	(0.45)
Diluted	0.17	(0.07)	0.11	(0.45)
Weighted average number of common shares outstanding				
Basic	45,748,691	45,748,691	45,748,691	35,685,600
Diluted	49,130,834	45,748,691	49,130,834	35,685,600

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Consolidated statements of deficit

(Unaudited)

(All dollar amounts are expressed in thousands)

	Three months ended		Years ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Deficit, beginning of period	94,020	88,382	91,343	75,337
Net income (loss) for the period	8,299	(2,961)	5,622	(16,006)
Deficit, end of period	85,721	91,343	85,721	91,343

BIOX Corporation

Consolidated balance sheets

(Unaudited)

(All dollar amounts are expressed in thousands)

	At September 30, 2011	At September 30, 2010
	\$	\$
Assets		
Current assets		
Cash	27,887	21,470
Accounts receivable	9,535	3,475
Prepaid expenses and sundry assets	953	984
Inventory	13,539	13,752
Current portion of income tax asset	716	-
	52,630	39,681
Restricted cash	-	1,173
Property, plant and equipment, net	54,342	57,758
Intangible assets, net	1,176	1,308
Future income tax asset	5,836	-
	113,984	99,920
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	6,959	6,024
Demand loan	4,957	-
Current portion of long-term debt	1,125	1,380
	13,041	7,404
Long-term debt	11,429	9,666
Asset retirement obligation	2,721	2,059
	27,191	19,129
Shareholders' equity		
Capital stock	167,787	167,787
Warrants	3,151	3,151
Contributed surplus	1,576	1,196
Deficit	(85,721)	(91,343)
	86,793	80,791
	113,984	99,920

BIOX Corporation

Consolidated statements of cash flows

(Unaudited)

(All dollar amounts are expressed in thousands)

	Three months ended		Years ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Operating activities				
Net income (loss) for the period	8,299	(2,961)	5,622	(16,006)
Items not involving cash				
Amortization of property, plant and equipment and intangible assets	1,137	1,052	4,457	4,204
Amortization of deferred financing charges	4	30	35	61
Loss on extinguishment of debt	304	-	304	-
Unrealized foreign exchange gain on cash held	(74)	-	(74)	-
Stock-based compensation	120	60	380	140
Accretion of asset retirement obligation	51	47	206	187
Valuation of warrants	-	-	-	3,861
Write off of site specific costs	1,700	-	1,700	-
Non-cash disposal of property, plant and equipment	-	(58)	-	87
Future income taxes	(6,552)	-	(6,552)	-
	4,989	(1,830)	6,078	(7,466)
Net change in non-cash working capital balances related to operations	(5,416)	(5,521)	(4,859)	(9,516)
	(427)	(7,351)	1,219	(16,982)
Investing activity				
Purchase of property, plant and equipment, net	(2,508)	(1,392)	(2,174)	(2,913)
Decrease in restricted cash	1,173	-	1,173	-
Investment tax credit refund	-	(74)	-	(74)
	(1,335)	(1,466)	(1,001)	(2,987)
Financing activities				
Proceeds from debt financing	12,585	-	12,585	1,380
Repayment of debt financing	(10,350)	(345)	(11,385)	(2,760)
Proceeds from (repayment of) demand loan	777	(980)	4,957	(1,545)
Financing charges	(32)	(20)	(32)	(20)
Proceeds from issuance of common shares	-	-	-	46,700
Share issuance costs	-	-	-	(2,518)
	2,980	(1,345)	6,125	41,237
Effect of exchange rate on cash held in foreign currency	74	-	74	-
Net increase (decrease) in cash during the period	1,292	(10,162)	6,417	21,268
Cash, beginning of period	26,595	31,632	21,470	202
Cash, end of period	27,887	21,470	27,887	21,470