

15 February 2013

AquaBounty Technologies, Inc.
(“AquaBounty” or “the Company”)

Proposed Fundraising and Collaboration Agreement

AquaBounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, is pleased to announce that, yesterday, it entered into a Subscription Agreement to issue 22,883,295 Common Shares, raising \$6.0 million (approximately £3.9 million) before expenses. In addition, it has entered into an Exclusive Channel Collaboration Agreement (“ECC”) pursuant to which it will have access to Intrexon Corporation’s (“Intrexon”) UltraVector[®] and other technology platforms.

The Subscription is subject, inter alia, to the approval of Shareholders at a General Meeting, which will be held on 15 March 2013 at 10.00 a.m. at AquaBounty Technologies, Inc., Two Clock Tower Place, Suite 395, Maynard, MA 01754, USA. The circular relating to the fundraising by the Company (“the Circular”) has been posted to shareholders and will be available on the Company’s website at: www.aquabounty.com.

Richard Clothier, Chairman of AquaBounty, said: “The Board is delighted to receive the backing of its majority shareholder, Intrexon, which should ensure that the Company can continue to seek FDA approval and bring our AquAdvantage[®] Salmon through to commercialization. Despite the recent extension by the FDA of the period for public comment on our Environmental Assessment, we believe FDA approval will be forthcoming.

“We are also pleased to have signed this Exclusive Channel Collaboration Agreement, which will enable us to work with Intrexon’s considerable capability in synthetic biology to develop novel, value added products for the aquaculture sector.”

For further information, please contact:

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Proposed Fundraising and Notice of General Meeting

The Company is pleased to announce a proposed fundraising of \$6.0 million (approximately £3.9 million) before expenses by means of a Subscription by existing shareholders. Pursuant to the fundraising, the Company will issue 22,883,295 Common Shares at 26.22 cents (16.89 pence) per Subscription Share. The Subscription price represents the average share price of the Company for the 20 trading days prior to and including 14 February 2013. The Subscription is conditional on the Company obtaining appropriate shareholder approvals at a General Meeting to issue the new shares.

The Company's largest shareholder, Intrexon Corporation ("Intrexon"), has agreed to subscribe for the full amount of the Subscription but, in the event that other Eligible Shareholders (as defined in the Circular) agree to participate, Intrexon's participation in the Subscription will be scaled down to a minimum participation of 14,874,142 Subscription Shares.

Background to the Fundraising

In the Company's announcement of 5 December 2012, it indicated that, following the receipt of a short term bridge loan of \$500,000 from Intrexon, it would have sufficient capital, combined with tight cost control, to allow it to continue operations until March 2013.

At the end of December 2012, the the U.S. Food and Drug Administration ("FDA") published the Environmental Assessment ("EA") and preliminary Finding of No Significant Impact ("FONSI") for the Company's AquAdvantage[®] Salmon ("AAS"), as part of its New Animal Drug Application ("NADA") for AAS. This positioned the Company to be able to seek funds from investors with a higher share price for the Common Shares. However, no fundraising could be undertaken until the lapse of the mandatory cash offer by Intrexon. Upon the expiration of Intrexon's mandatory offer, the Board determined that the Company should consider various fundraising options and approach potential investors.

Following advice from the Company's advisors, it was confirmed that the regulatory constraints made it impractical and prohibitively costly to open the Subscription to all shareholders. On that basis, Intrexon has agreed to subscribe for the full amount of the Subscription but, in the event that other Eligible Shareholders agree to participate, Intrexon's participation in the Subscription will be scaled down to a minimum participation of 14,874,142 Subscription Shares.

Terms of the Subscription

The fundraising is by way of a Subscription for new Common Shares in the Company at a price of 26.22 cents (16.89 pence) per share, which represents the average share price of the Company for the 24 trading days prior to and including 14 February 2013, the date of pricing of the Subscription. The aggregate number of Common Shares being subscribed for is 22,883,295, raising \$6.0 million (approximately \$3.9 million). The Subscription Price represents a 2.76 per cent discount to the average share price of the Company for period from the announcement of the release of the EA on 24 December 2012 until 14 February 2013. The Subscription is conditional on shareholder approval of the Resolutions to be sought at the General Meeting.

As at today's date, Intrexon owns 48,631,444 common shares, representing 47.65 per cent. of the existing Common Shares in the Company and it is subscribing for a maximum of 22,883,295 Subscription Shares. Subject to the levels of participation by Eligible Shareholders, Intrexon will

hold up to 71,514,739 Common Shares, representing up to 57.15 per cent. of the enlarged issued share capital of the Company following admission of the Subscription Shares.

The Subscription Shares are to be credited as fully paid and are to rank pari passu in all respects with the existing Common Shares of the Company. The General Meeting to obtain appropriate shareholder approvals has been scheduled for 15 March at 10:00 am EDT at the Company's headquarters.

Use of Proceeds

The amounts raised in the Subscription will permit the Company to fund working capital until expected receipt of FDA approval and to start the acceleration of its commercialization plans. It will also commence the first stage of development of new products through the Exclusive Channel Collaboration Agreement with Intrexon, as described below. However, the Company does not expect significant sales until 2015 and will need to raise further funds prior to that time.

On 5 December 2012, Intrexon provided the Company with a short term bridge loan of \$500,000 which is repayable through the proceeds of an equity fundraising. Following admission to AIM of the Subscription Shares, the Company expects to repay \$502,692 being the capital and interest in full.

Exclusive Channel Collaboration Agreement

On 14 February 2013, the Company entered into the Exclusive Channel Collaboration Agreement ("ECC") pursuant to which AquaBounty will use Intrexon's UltraVector® and other technology platforms to develop and commercialize novel value-added products for the aquaculture sector (the "Aquaculture Program").

The ECC grants the Company a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products developed under the ECC (the "AquaBounty Collaboration Products"). Such license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of AquaBounty Collaboration Products, and otherwise is non-exclusive. Subject to limited exceptions, the Company may not sublicense the rights described without Intrexon's written consent.

Under the ECC and subject to certain exceptions, the Company is responsible for, among other things, the performance of the Aquaculture Program, including development, commercialization and certain aspects of manufacturing AquaBounty Collaboration Products. Among other things, Intrexon is responsible for the costs of establishing certain manufacturing capabilities and facilities for the bulk manufacture of products developed under the Aquaculture Program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon's patents.

The Company will pay Intrexon quarterly 16.66 per cent of the gross profits calculated for each AquaBounty Collaboration Product. The Company has likewise agreed to pay Intrexon 50 per cent of quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement.

Update on FDA Approval

As announced on 13 February 2013, the FDA has extended the period for public comment on the Environmental Assessment and the preliminary Finding of No Significant Impact by an additional 60 days. The comment period will now end on 26 April 2013. The Directors of the Company believe that this will not materially affect AquaBounty's chances of receiving FDA approval.

Outlook and Strategy

Though the timing for FDA approval is indeterminate and the comment period has been extended until at least 26 April 2013, the Board is encouraged by the publication by the FDA of the EA and FONSI. The Board of AquaBounty remains confident that the Company will receive approval from the U.S. Food and Drug Administration for AAS.

Once approval has been obtained, the Company plans to begin the process of preparing for and implementing customer field trials. If FDA approval is received before the end of 2013, the Company believes eggs could be supplied to field trials in January 2014. If the outcome of these trials is successful, the Company expects that sales and shipments of eggs could increase over the next two years. After FDA approval is received, the Company expects to focus on those significant fish farming markets where it believes it will have greater success in gaining approval and consumer acceptance. Currently, the Company expects to market AAS in five countries after receipt of FDA approval: the US, Canada, Argentina, Chile, and China.

While no pricing structure has been set by the Company, on the basis of the considerable savings available to producers, the directors expect AAS eggs to sell at a premium to standard salmon eggs. However, the Company expects that the price will be heavily discounted during trials to encourage adoption and the Company expects price discounting for volume orders in later years. Initially the Company expects the cost of production for each egg will be higher than the industry norm, but will fall significantly once volume production increases.

The Company is also exploring the potential of expanding vertically into the grow-out of AAS or other developed fish, which it believes could provide an opportunity to enhance the margin of the product and provide access to a potentially sizable market. The Company is also reviewing the establishment of a second broodstock hatchery to reduce operating risk and increase its capacity. The Company believes the cost of constructing and equipping a second hatchery would be approximately \$4 million.

Share Capital

The issued Common Share capital of the Company as at the date of this announcement and following the Subscription is as follows:

Share capital	As at the date of this document <i>Number of Common Shares</i>	Immediately following Admission <i>Number of Common Shares</i>
	102,255,688	125,138,983

The holdings of Common Shares of Shareholders who are not Subscribing Investors will therefore be diluted by the Subscription by 18 per cent.

Directors and Interests in Shares

As at the date of this announcement, the interests of the Directors of the Company and their immediate families (all of which are beneficial) in the issued share capital of the Company and, so far as is known to the directors of the Company or could with reasonable diligence be ascertained by them, persons connected with them which, if the connected person were a director of the Company, would otherwise be disclosed pursuant to this paragraph are, or are expected to be, as follows:

Director	As at the date of this document		Immediately following Admission	
	<i>Number of Common Shares</i>	<i>Percentage of Existing Common Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital</i>
R. Clothier	726,342	0.71%	726,342	0.58%
R. Stotish	0	0.00%	0	0.00%
R. Huber	639,321	0.63%	639,321	0.51%
T. Barton	0	0.00%	0	0.00%
J. Turk Jr.	0	0.00%	0	0.00%
T. Kasser	0	0.00%	0	0.00%
Total	1,365,663	1.34%	1,365,663	1.09%

As at the date of this announcement, and save for the interests of the Directors of the Company disclosed above, the Company is aware of the following persons who are or will hold, directly or indirectly, voting rights representing 3 per cent or more of the issued share capital of the Company to which voting rights are attached:

Major Shareholders	As at the date of this document		Immediately following Admission	
	<i>Number of Common Shares</i>	<i>Percentage of Existing Common Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Intrexon Corporation (1)	48,631,444	47.65%	71,514,739	57.15%
Alejandro Weinstein (1) (2)	18,083,358	17.72%	18,083,358	14.45%
Total	66,714,802	65.37%	89,598,097	71.60%

1. Assuming that Intrexon subscribes in full

2. Percentage includes shares held by Western Pharmaceuticals and CFR International, SPA. Mr. Weinstein is a controlling shareholder of both companies.

Related Party Transaction

Intrexon currently holds 48,631,444 Common Shares (representing 47.65 per cent of the Company's Existing Common Shares) and has agreed with the Company to subscribe for a maximum of 22,883,295 and, subject to take up by Eligible Shareholders, a minimum of 14,874,142 new Common Shares. With the Subscription, Intrexon's share of the Company will represent up to 57.15 per cent of the Enlarged Share Capital. As part of the transaction, Intrexon will be entering into the ECC (details of which are set out above).

As Intrexon is a “substantial shareholder” of the Company, its participation in the Subscription and its entry into the ECC constitute a “related party transaction” under the AIM Rules.

The Independent Directors (as defined in the Circular) consider, having consulted with the Company’s nominated adviser, Nomura Code, that the terms on which Intrexon is participating in the Subscription and the ECC are fair and reasonable insofar as the Company’s Shareholders are concerned. In providing such advice to the Independent Directors, Nomura Code has taken into account the Board’s commercial assessment.

General Meeting

The Subscription is subject, inter alia, to the approval of Shareholders at the General Meeting.

The General Meeting is to be held on 15 March 2013 at 10.00 a.m. at AquaBounty Technologies, Inc., Two Clock Tower Place, Suite 395, Maynard, MA 01754, USA, at which the following resolutions will be proposed:

Resolution 1 to approve the Section 7 Waiver

The Board recognizes that the provisions of Section 7 of the Certificate of Incorporation would apply to the issuance of the Subscription Shares to Intrexon. Section 7 requires a person holding not less than 30% but not more than 50% of the voting rights in the Company who acquires additional securities in the Company to make an offer to the Company’s Shareholders to purchase or otherwise acquire their capital stock in the Company. As the Subscription is conditional on this Resolution being passed, the Board has determined that the application of Section 7 of the Certificate of Incorporation in relation to the Subscription is not in the best interests of the Company or its Shareholders.

In accordance with Section 7(n) of the Certificate of Incorporation, this vote is only for independent Shareholders not affiliated or acting in concert with Intrexon and requires the affirmative vote of a majority of such Shareholders.

The Board recommends a vote “FOR” the approval of Resolution 1.

Resolution 2 to disapply pre-emption rights

The Board recognizes that the provisions of Section 4(c) of the Certificate of Incorporation would apply to the proposed issuance of the Subscription Shares to the Subscribing Investors pursuant to the Subscription. Section 4(c) requires the Company, before selling Common Shares to a person for cash, to offer to its Shareholders the right to purchase a proportional amount of Common Shares on terms that are at least as favorable as those for which said person would purchase the Common Shares. Following advice from the Company’s advisors, it was confirmed that the urgency for funds and the legal and regulatory constraints made it impractical and prohibitively costly to open the Subscription to all Shareholders. As the Subscription is conditional on this Resolution being passed, the Board has determined that the application of Section 4(c) of the Certificate of Incorporation in relation to the Subscription is not in the best interests of the Company or its Shareholders.

In accordance with Section 4(c) of the Certificate of Incorporation, this Resolution will be passed with the affirmative vote of 75 per cent of those Shareholders present in person or represented by proxy.

The Board recommends a vote “FOR” the approval of Resolution 2.

Resolution 3 authorising the Company to disapply Section 4(d) of the Certificate of Incorporation
The Board recognizes that the provisions of Section 4(d) of the Certificate of Incorporation would apply to the proposed issuance of the Subscription Shares to the Subscribing Investors pursuant to the Subscription. Section 4(d) restricts the Company from issuing, redeeming, or repurchasing any Common Shares, save for the issuance of Common Shares pursuant to the Company's share option or incentive plans, without first obtaining the affirmative vote of the holders of 65 per cent of the Common Shares represented at a meeting of the Shareholders.

In accordance with the Certificate of Incorporation, this Resolution will be passed with the affirmative vote of 65 per cent of those Shareholders present in person or represented by proxy.

The Board recommends a vote “FOR” the approval of Resolution 3.

Actions to be Taken

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions thereon and to return it by post to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. EDT on 13 March 2013.

You may revoke your proxy by notifying the Company Secretary in writing before the General Meeting that you have revoked your proxy or voting in person at the General Meeting.

Proxies solicited by the Board will be voted “FOR” the proposal, unless a different vote is specified. A quorum of Shareholders is necessary to hold a valid meeting. The presence, in person or represented by proxy, at the General Meeting of holders of Common Shares representing a majority of the votes of the Common Shares entitled to vote constitutes a quorum.

Importance of Vote

As the Subscription is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions at the General Meeting, Shareholders should be aware that, if the Resolutions are not passed and the Subscription does not take place, funds will not be received by the Company. In this event, the Company will require additional working capital before the end of March of 2013.

Recommendation

The Board believes that, based on all the relevant circumstances, the terms of the Subscription, the Section 7 Waiver and the Subscription Agreement with Intrexon and the other Subscribing Investors is in the best interests of the Company and its existing Shareholders as a whole. The Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as those directors of the Company who are also Shareholders intend to do so in respect of their own beneficial holdings of Common Shares, which amount, in aggregate, to 1,365,663 Common Shares, representing approximately 1.09 per cent of the Existing Common Shares.