

...for environmentally and economically sustainable agriculture

CORPORATE HEADQUARTERS

9 E Park Court
Old Bethpage, NY 11804
T: (212) 758-6622
F: (516) 977-2222
www.biontech.com

CONTACT INFORMATION

Craig Scott, VP – Capital Markets
T: (303) 843-6191 (direct)
F: (303) 265-9926
cscott@biontech.com

SHARES (9/30/11)

Outstanding: 14.6M
Fully diluted: 27.3M
Est Public Float: 7M

MARKET SUMMARY (10/4/11)

OTC BB: BNET
Market Cap: \$40M
Market Cap FD: \$75M
52 Wk High: \$4.50
52 Wk Low: \$2.21
Recent Price: \$2.75

TRANSFER AGENT

Corporate Stock Transfer
3200 Cherry Creek Dr S., Suite 430
Denver, CO 80209
(303) 282-4800

Bion Environmental Technologies' patented and proven technology largely eliminates the air and water pollution associated with livestock waste and dramatically reduces the environmental and physical footprint of livestock operations. It is the ONLY technology that provides a comprehensive solution to the environmental impacts of livestock waste and it is now gaining acceptance by the US EPA, state regulatory agencies and other stakeholders as an effective and permanent solution. The technology simultaneously provides a platform to recover renewable energy from the waste biomass.

According to a task group made up of U.S. EPA staff and state regulators, nitrogen and phosphorus pollution has the potential to become "one of the costliest, most difficult environmental problems we face in the 21st century." U.S. livestock produce more than 1.4 BILLION tons of organic waste annually that is spread on the land essentially untreated; excess nutrients, pathogens and other problems have severely impacted our fresh- and coastal water systems. The livestock industry has come under increasing scrutiny at both state and federal levels as a primary source of excess nutrients that lead to coastal water hypoxia (dead zones), ammonia and greenhouse gas emissions, pathogens and a host of other problems.

Bion has spent 20 years and \$65 million developing its next generation technology that gives the Company the unique opportunity to both provide solutions to existing livestock facilities, as well as develop new environmentally-sustainable livestock, food processing and biofuels operations that are integrated to provide improved margins while delivering safe, environmentally-responsible food products.

BION SERVICES GROUP

BSG provides environmental treatment of waste for existing livestock operations. Today in Pennsylvania, as part of the Chesapeake Bay Strategy to reduce excess nutrients in the Bay, credits can be earned for voluntary reductions of nutrients from agricultural sources. These credits can be sold to offset the pollution from entities such as municipal wastewater treatment plants that face much higher cleanup costs. Nutrient Credit Trading allows the overall nutrient reductions to be achieved, but at a substantially reduced cost. Bion's technology has been approved to generate credits by the PA Department of Environmental Protection.



Bion recently completed installation of its waste treatment technology at Kreider Farms, a 2,000-head dairy facility in Lancaster County, PA, to reduce ammonia emissions and excess nitrogen. Bion anticipates that Phase 1 of its Kreider Dairy project will initially generate approximately 150,000 credits annually. Upon successful completion of Phase 2 of the project which calls for waste treatment and renewable energy production of Kreider's (and potentially others) poultry operations, Bion anticipates the generation of more than 1.5 million credits. Bion estimates that upon completion of Phases 1 and 2, the Kreider facility will produce EBITDA (not a GAAP term) of \$7 to \$10M annually, without including revenues from renewable energy or other sources.

Pennsylvania alone must reduce 35M pounds of nitrogen to meet today's requirements under the Chesapeake Bay Strategy – 88M pounds Bay-wide. The estimated blended cost to upgrade municipal wastewater plants and capture and treat storm water runoff is more than \$40 per pound of nitrogen reduced per year. Bion anticipates it will sell credits for \$8 to \$10 per credit per year – representing a potential savings to Chesapeake Bay-area taxpayers and municipal ratepayers of over \$1 billion. The total nitrogen reductions from all states and sources that will be required in the Mississippi River Basin is anticipated to be well in excess of 1 billion pounds per year. For more info, visit www.bionpa.com.



INVESTMENT HIGHLIGHTS

- Substantially increased state and federal scrutiny of ag/livestock-related nutrient pollution, ammonia and greenhouse gas emissions, pathogens
- Bion's technology development is complete, patented, proven and quickly gaining regulatory and stakeholder acceptance
- Bion can allow PA and other states to comply with the Chesapeake Bay Strategy at a fraction of the cost they are currently facing
- Pennsylvania Infrastructure Investment Authority (PENNVEST) provided long-term, low rate financing for Kreider Farms project
- EPA, USDA establishing strategies in the Ches Bay that will be used to combat similar excess nutrient problems in Miss River Basin and others
- Highly experienced management team significantly invested – recently named Ed Schafer, former US Secretary of Agriculture, Vice-Chairman

THE TECHNOLOGY

Bion's proven technology combines mechanical and biological processes to provide a comprehensive solution to effluent nutrients and air emissions from livestock waste, as well as substantial reductions in pathogens, hormones, antibiotics, pesticides and herbicides. Bion has provided solutions to the livestock industry for 20 years with 30 first generation systems installed through 2003. Bion's next generation technology evolved to address changing standards and opportunities. The platform removes much of the nutrients in the waste stream, dramatically reducing environmental impacts and capturing value that is lost in traditional operations. Renewable energy from the waste biomass can be produced much more efficiently than other technologies that seek to exploit this energy source. Bion holds five U.S. patents, with three pending, and five international patents, with six pending.

Bion's technology enables substantial nutrient, ammonia and greenhouse gas reductions for existing livestock facilities and allows new large-scale operations to be developed and integrated with food/end product processing and/or biofuel production. Renewable energy produced from the waste stream is typically consumed on-site or nearby, maximizing its value. Resource and operational efficiencies are significantly increased. Much of the excess nutrients are captured, either to create additional energy or for sale as animal feed supplements and organic fertilizer products, rather than lost to contaminate downstream water supplies. Bion can remove up to 95% of the nutrients in the wastewater effluent, reduce ammonia emissions and greenhouse gases by greater than 90% and provide substantial reductions of other air emissions including hydrogen sulfide and VOCs.

MARKET OPPORTUNITIES

Existing Livestock Operations

There are more than 9 million dairy cows, 105 million beef cattle, 60 million swine and almost 2 billion chickens and turkeys in the U.S. alone, the majority of them produced on CAFOs (concentrated animal feeding operations). US EPA estimates there are more than 20,000 CAFOs in the U.S. today, representing a very large potential target market. BSG project opportunities include:

- Generation of credits for nutrient and greenhouse gas reductions, along with potential future credits for other environmental benefits including water reuse, and other air emission and pathogen reductions
- Generation of renewable energy with tax credit and/or subsidy incentives
- Compliance with current and future regulation
- Reduce land and equipment required for nutrient disposal or expand herd size and density on existing acreage
- Develop Central Processing Facilities that will consolidate waste treatment services in areas with existing concentrated livestock operations that are smaller scale and with fragmented ownership

Sustainable Integrated Projects

State-of-the-art Bion livestock facilities will be integrated with meat and/or milk processing and, in some cases, biofuels, in a cooperative entity that exploits their natural synergies. Integrated Projects will utilize renewable energy that is produced from the livestock waste biomass and consumed on-site, replacing the Projects' use of natural gas. IPs will benefit from greatly reduced transportation costs, shared resources and common infrastructure. Scale enables single-sourcing that provides control of inputs and processes, resulting in improved food safety and security. Integration in strategic geographical locations unlocks resource and operational efficiencies that reduce risks and produce significant competitive advantages over traditionally located and operated facilities. Bion has identified three primary market opportunities to develop Integrated Projects:

- Locate newly-permitted livestock herds near existing ethanol plants. Bion's platform creates a closed-loop system whereby the distiller grain co-product from ethanol production is fed to the livestock herd, eliminating the need to dry and ship the DG; renewable energy from the livestock waste replaces all of the remaining fossil fuel requirements of the ethanol plant. Ethanol production costs are significantly reduced while the net energy balance of ethanol production is more than tripled.
- Locate newly-permitted livestock herds near existing milk and meat processing plants to improve processing efficiencies and opportunities. Higher transportation fuel costs have increased the costs to deliver beef and milk inputs to these facilities. Additionally, recent trends toward consumer demand for eco-friendly products have created an opportunity to produce environmentally responsible brands. Sufficient scale enables the processor to single-source milk or meat inputs, increasing accountability and food safety.
- Greenfield Projects that are comprised of new state-of-the-art facilities in selected locations that maximize the Projects' economic and competitive market advantages, such as Bion's initial project in the Northeast U.S., located within 500 miles of more than 50 million consumers. Partners in these Projects will increase productivity and profits by capitalizing on the operational and resource efficiencies of integration. Additional opportunities result from strategic location, such as proximity to high-value product markets, product branding, and economic development incentives, subsidies and tax credits.

Bion is conducting pre-development work on Integrated Projects in the Northeast and the Midwest U.S. Additionally, Bion has had preliminary discussions with several nationally-and internationally-known food producers, processors, and distributors, about using its technology to develop projects which integrate new livestock herds with both existing and new processing facilities.

MANAGEMENT TEAM

Bion has assembled an exceptional in-house and consulting management team (biographies available on the company's website) that provides expertise and experience in all disciplines required to execute the Company's business plan, including core technology, engineering, public policy and regulation, strategic planning/operations/finance, livestock – development and operations, biofuels – development and operations, and industrial facilities development, construction and operations.

This Profile, dated Oct 4, 2011, contains, in addition to historical information, forward-looking statements which represent Bion's expectations or beliefs as of the date of this document including, but not limited to, statements concerning the Company's operations, performance, financial condition, business strategies, and other information and that involve substantial risks and uncertainties. The Company's actual results, many of which are beyond the Company's control, could differ materially. For this purpose, any statements contained in this Executive Summary that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "may," "will," "anticipate," "plan," or variations of these words identify such forward-looking statements. Bion does not undertake, and specifically disclaims any obligation, to publicly release the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. Potential investors should carefully review the Company's current 10-K and other SEC filings at www.sec.gov.