Bion Announces New Canadian Patent Issued

February 1, 2013. New York, New York. Bion Environmental Technologies, Inc. (OTC QB/BB: BNET) announced today that it was notified that on January 15, 2013 the Canadian Patent Office granted and issued Canadian Patent Number 2,428,417 entitled "Low Oxygen Organic Waste Bioconversion System." This patent was applied for November 8, 2001 and will remain in force until November 8, 2021.

The new patent provides protection of the core Bion process's ability to convert and remove nitrogen from a wide variety of waste streams. This second active Canadian patent significantly strengthens the Company's international IP portfolio, with active patents now held in Canada, New Zealand and Mexico, and additional applications under consideration for the European Union, Brazil, Argentina and Australia. Bion holds seven US patents, with one pending.

In 2012, the US and Canada amended the Great Lakes Water Quality Agreement to address the complex problems of recurrent toxic and nuisance algae blooms that can lead to increased water treatment needs, disruptions to utilities by clogged water intakes, and negative effects on tourism, commercial and recreational fishing, and recreational activities such as swimming. The sources of these algae blooms are nutrients from fertilizers in urban and agricultural runoff, improper manure storage, municipal wastewater effluents, septic systems, and industrial discharges. Canada's Great Lakes Nutrient Initiative will target five priority areas that include establishing binational lake ecosystem objectives and a near shore assessment and management framework.

James Morris, Ph.D., P. E., Bion's Chief Technology Officer, stated, "Canada represents a large potential market and this patent assures Bion's unique ability to deploy our technology in this important agricultural powerhouse. The new US-Canada agreement greatly strengthens both Canadian and US impetus to reduce nutrient load to the Great Lakes basin with an emphasis on agricultural sources."

Bion Environmental Technologies has provided environmental treatment solutions to the agriculture and livestock industry since 1990. Bion's patented, next-generation technology provides a unique comprehensive treatment of livestock waste that achieves substantial reductions in nitrogen and phosphorus, ammonia, greenhouse and other gases, as well as pathogens, hormones, herbicides and pesticides in the waste stream. Bion's process simultaneously recovers cellulosic biomass from the waste stream that can be used to produce renewable energy. Bion's technology enables the reduction of nutrients and other pollutants from existing livestock operations, as well as the ability to develop new, state-of-theart livestock facilities in strategic locations with minimal environmental impacts and substantially improved resource and operational efficiencies.

In August 2012, Bion's system at Kreider Dairy, a 2,000 cow dairy facility in Lancaster County, Pennsylvania, was issued a full and final water quality permit and its nitrogen reduction verification plan has been approved by the PA Department of Environmental Protection. Verified nitrogen reductions from Bion's treatment of dairy and other livestock waste can be achieved at a fraction of the cost of traditional solutions that remove nitrogen at downstream 'point sources' such as municipal waste water treatment plants, power plants and other industrial facilities, and the treatment of storm water runoff. For more information, see Bion's websites, www.biontech.com and www.bionpa.com.

This material includes forward-looking statements based on management's current reasonable business expectations. In this document, the words 'expect', 'will', 'proposed' and similar expressions identify certain forward-looking statements. These statements are made in reliance on the Private Securities Litigation Reform Act, Section 27A of the Securities act of 1933, as amended. There are numerous risks and uncertainties that could result in actual results differing materially from expected outcomes.

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