



## PRESS RELEASE

FOR IMMEDIATE RELEASE  
August 11, 2008

TSX: BQE  
www.bioteq.ca

### **BioteQ Reports Second Quarter Operating and Financial Results**

**VANCOUVER, B.C.– BioteQ Environmental Technologies, Inc. (TSX: BQE)**, a leader in the treatment of metal and sulphate contaminated water, today reported financial results for the second quarter and the six-months ended June 30, 2008. All figures are in Canadian dollars and are in accordance with Canadian GAAP.

Second quarter operating and financial highlights include:

- Two new plants located in China and Australia were successfully commissioned, with production ramped up over the quarter.
- Revenues increased by 40% to \$1.5 million in Q2 2008, compared to \$1.1 million in Q2 2007, primarily due to new revenues from the China operation. Excluded from this revenue was \$925,000 in production from Mt Gordon during Q2 2008, due to transportation delays. This sale has been booked in early 3Q 2008.
- The net loss for the quarter was \$747,000, compared to \$667,000 in Q2 2007.
- Plant operations generated positive cash flow of \$593,000 for Q2, and close to \$1 million for the year-to-date.
- BioteQ continues to maintain a strong balance sheet, with \$18.6 million in working capital and no debt.

BioteQ's second quarter 2008 financial performance reflect results from 4 operations – water treatment plants at Bisbee, Raglan, Dexing, and gold plant commissioning at Lluvia de Oro. Production from the Mt. Gordon site is not reflected in the Q2 operating results because the concentrate produced during the quarter was shipped shortly after the quarter end, due to a transportation delay beyond the control of the Company. As a result, revenues of approximately \$925,000 from the sale of 274,000 pounds of copper are expected to be recognized in the third quarter, based on current metal prices. The net realizable value of the concentrate has been reflected as inventory.

Brad Marchant, BioteQ's CEO stated, "BioteQ's investments in new plants are beginning to provide returns, and the Company is well positioned for additional growth over the balance of 2008. The Company now has five active operations, with four new plants under construction and a strong development pipeline of new projects to drive future growth."

BioteQ remained active with new projects and new technology during the second quarter, with capital expenditures of \$1.6 million invested in new plants and equipment, primarily for completion of the new water treatment plant at the Lluvia de Oro gold mine site in Mexico, which is presently ramping up production. The Company expects to invest a further \$2 million over the balance of 2008 on projects in Chile, China and Canada.

BioteQ's quarterly financial statements and the Company's MD&A have been filed on SEDAR, [www.sedar.com](http://www.sedar.com), and will be available on the BioteQ website at [www.bioteq.ca](http://www.bioteq.ca).

A conference call to discuss the financial results is scheduled for Tuesday August 12, at 11:00 am Eastern. Participants may call 416-695-7806 or 1-888-789-9572 and enter reference number 3268313#. A replay of the call will be available until August 26 by dialing 416-695-5800 or 1-800-408-3053, reference number 3268313. A recording will be available within two days of the call on the BioteQ website at [www.bioteq.ca](http://www.bioteq.ca).

### **BioteQ Corporate Profile**

BioteQ builds, owns and operates water treatment plants for the world's mining companies and utility operators, reducing environmental liabilities while generating revenue from waste. The Company's commercially proven technology treats acid mine drainage and other metal-laden waste water by sequentially removing metals and sulphate, producing saleable metal products and clean water that can be discharged safely to the environment. BioteQ is headquartered in Vancouver, Canada, and trades on the TSX under the symbol BQE. For additional information, go to [www.bioteq.ca](http://www.bioteq.ca).

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On behalf of the Board of Directors

Brad Marchant

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release.*

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "might" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the development, construction and operation of water treatment plants, variations in water quality, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors described in the section entitled "Risks" in the Company's Annual Report for the Year Ended December 31, 2007. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

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# BioteQ Environmental Technologies Inc.

## Consolidated Balance Sheets

	June 30 2008 (Unaudited) \$	Dec 31 2007 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,534,642	1,758,744
Short-term investments	15,017,125	23,616,521
Trade receivables	326,903	339,217
Receivable from joint venture partners	546,738	153,318
Loan receivable (note 7)	1,661,238	-
Taxes recoverable	646,809	146,831
Inventory (note 6)	1,065,354	49,380
Prepaid expenses	31,507	164,594
Other receivables	16,057	224,180
	<u>20,846,373</u>	<u>26,452,785</u>
<b>Property, plant and equipment</b> (note 8)	21,241,122	15,832,942
<b>Intangible asset</b> (note 9)	178,084	193,570
	<u>42,265,579</u>	<u>42,479,297</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,263,276	3,098,124
	<u>2,263,276</u>	<u>3,098,124</u>
<b>Shareholders' Equity</b>		
<b>Capital stock, warrants and contributed surplus</b> (note 10)	56,870,204	55,041,322
<b>Deficit</b>	(16,867,901)	(15,660,149)
	<u>40,002,303</u>	<u>39,381,173</u>
	<u>42,265,579</u>	<u>42,479,297</u>
<b>Commitments</b> (note 14)		

### Approved by the Board of Directors

"P.B. Marchant"

P.B. Marchant, Director

"Clement A. Pelletier"

Clement A. Pelletier, Director

For a complete set of consolidated financial statements including accompanying notes, go to [www.bioteq.ca](http://www.bioteq.ca)

# BioteQ Environmental Technologies Inc.

## Consolidated Statement of Operations, Comprehensive Loss and Deficit (Unaudited)

	<u>3 months ended June 30th,</u>		<u>6 months ended June 30th,</u>	
	<b>2008</b>	2007	<b>2008</b>	2007
<b>Revenue</b>	1,506,785	1,072,045	2,321,972	2,188,617
<b>Operating expenses</b>				
Plant and other operating costs	913,987	597,831	1,350,277	1,253,504
General and administrative expenses	592,935	606,297	1,112,576	1,140,637
Marketing and development costs	292,697	160,207	421,037	307,781
Operating expenses before amortization and stock-based compensation	1,799,619	1,364,335	2,883,890	2,701,922
Amortization of property, plant and equipment (note 8)	234,037	90,645	327,495	181,133
Amortization of intangible asset (note 9)	7,743	7,743	15,486	15,486
Stock-based compensation charge (note 10)	440,000	446,992	806,000	679,200
<b>Loss before the under noted</b>	(974,614)	(837,670)	(1,710,899)	(1,389,124)
<b>Interest income</b>	193,100	296,507	440,509	585,358
<b>Interest expense</b>	-	(5,675)	-	(11,984)
<b>Deferred financing costs written-off</b>	-	-	-	(32,771)
<b>Foreign exchange gain (loss)</b>	34,174	(120,002)	62,638	(134,257)
<b>Loss and comprehensive loss for the period</b>	(747,340)	(666,840)	(1,207,752)	(982,778)
<b>Deficit - Beginning of period</b>	(16,120,561)	(11,808,727)	(15,660,149)	(11,492,789)
<b>Deficit - End of period</b>	(16,867,901)	(12,475,567)	(16,867,901)	(12,475,567)
<b>Loss per share - basic and diluted</b>	(0.01)	(0.01)	(0.02)	(0.02)
<b>Weighted average number of shares</b> (excludes 6,300,000 performance based escrow shares)	59,710,897	53,931,898	59,473,411	53,695,233

For a complete set of consolidated financial statements including accompanying notes, go to [www.bioteq.ca](http://www.bioteq.ca)

# BioteQ Environmental Technologies Inc.

## Consolidated Statement of Cash Flows (Unaudited)

	3 months ended June 30th,		6 months ended June 30th,	
	2008	2007	2008	2007
<b>Cash flows from (used in) operating activities</b>				
Loss for the period	(747,340)	(666,840)	(1,207,752)	(982,778)
Items not affecting cash				
Amortization of property, plant and equipment	234,037	90,645	327,495	181,133
Amortization of intangible asset	7,743	7,743	15,486	15,486
Deferred financing costs written-off		-	-	32,771
Stock based compensation charge	440,000	446,992	806,000	679,200
	(65,560)	(121,460)	(58,771)	(74,188)
Change in non-cash working capital items	(1,438,342)	985,645	(2,390,696)	646,750
	(1,503,902)	864,185	(2,449,467)	572,562
<b>Cash flows from (used in) financing activities</b>				
Proceeds from exercise of warrants and options	824,236	1,859,322	1,022,882	2,921,845
Repayment of bank loan	-	(45,924)	-	(91,215)
	824,236	1,813,398	1,022,882	2,830,630
<b>Cash flows from (used in) investing activities</b>				
Purchase of property, plant and equipment	(1,637,609)	(1,967,889)	(5,735,675)	(2,395,729)
Short-term investments	1,190,419	(9,816,239)	8,599,396	605,837
Increase in loan receivable	(1,661,238)	-	(1,661,238)	-
	(2,108,428)	(11,784,128)	1,202,483	(1,789,892)
<b>(Decrease) Increase in cash and cash equivalents</b>	(2,788,094)	(9,106,545)	(224,102)	1,613,300
<b>Cash and cash equivalents - Beginning of period</b>	4,322,736	12,633,913	1,758,744	1,914,068
<b>Cash and cash equivalents - End of period</b>	1,534,642	3,527,368	1,534,642	3,527,368
<b>Supplemental cash flow information</b>				
Interest paid	-	5,675	-	11,984
Withholding taxes paid and receivable	-	-	-	136,434

For a complete set of consolidated financial statements including accompanying notes, go to [www.bioteq.ca](http://www.bioteq.ca)