



Bion Announces Kreider Farms Phase 2 Poultry Credit Protocols Submitted to Pennsylvania Department of Environmental Protection

August 23, 2010. New York, New York. Bion Environmental Technologies, Inc. (OTC BB: BNET) announced today it has submitted its nutrient credit trading application for Phase 2 of its Kreider Farms (KF) project to the Pennsylvania (PA) Department of Environmental Protection (DEP). This application, upon approval by the DEP, will project the number of certified nitrogen and phosphorus credits eligible to be sold as verified offsets to the Chesapeake Bay mandate, with the final tally of verified credits based upon the results from actual operations of the renewable energy facility.

Bion will produce renewable energy from KF's four poultry operations. Bion projects a reduction of more than 4,000,000 pounds of nitrogen to the local environment, including the local streams and watersheds suffering from the impacts of excess nitrogen and phosphorus. Bion's verified credits will be the portion of these reductions that the PA DEP determines will actually impact the CB.

The poultry litter will be processed at a Bion-developed regional renewable energy biomass conversion facility that will generate revenue from the sale of nutrient credits and renewable energy. In addition to biomass from the Kreider poultry facilities, this regional biomass facility will also process the cellulosic biomass from Bion's Phase 1 dairy waste treatment system at KF and compatible biomass from local sources such as poultry litter.

Jeremy Rowland, Bion's chief operations officer, stated, "The proposed renewable energy facility will complete the integration of the KF's poultry litter and dairy manure project in a manner which will make a significant contribution to the clean-up of both the local community environment and the CB restoration by virtue of the significant reductions of nitrogen and other environmental impacts, while also serving as a renewable energy biomass facility generating long term green power to Lancaster County. We look forward to working with the PA DEP to bring this integrated project to a successful conclusion."

About Bion: 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. Bion's process simultaneously recovers cellulosic biomass from the waste stream to produce renewable energy.

Bion's technology enables development of large scale livestock facilities in strategic locations that provide greater efficiencies and dramatically reduced transportation costs but were previously

impracticable due to their environmental impact. These environmentally-responsible, large scale facilities can be integrated with existing or new food processing and renewable energy production operations to substantially reduce risk and improve the economics of all partners. For more information, see Bion's website: www.biontech.com.

This material includes forward-looking statements based on management's current reasonable business expectations. In this document, the word '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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