



Bion Announces Kreider Farms Project Sampling Results

December 19, 2011. New York, New York. Bion Environmental Technologies, Inc. (OTC BB/QB: BNET) announced today the test results from the most recent round of sampling of its system at the Kreider Farms dairy operation. These samplings will be part of Bion's submissions to the Pennsylvania Department of Environmental Protection (PA DEP) for the issuance of its final water quality permit and approval of Bion's nutrient credit verification plan for Phase 1 of the Kreider Project.

Independent testing of the samples indicates total annual nitrogen reductions of approximately 220 lbs per milk cow, which will result in approximately 115 lbs of verified nitrogen credits under the Chesapeake Bay TMDL (based upon Bion's existing Edge-of-Segment (EOS) factor and verification plan filed with PA DEP). The results are consistent with Bion's original projections of 105-120 lbs of verified nitrogen credits. Bion anticipates that the system performance will continue to improve through Q3 2012.

James Morris, PhD, Bion's Chief Technology Officer, stated, "We are very pleased with this latest round of sampling. Although we faced some challenges in our 'shakedown phase', we have dealt successfully with the issues and the system is now beginning to perform to its potential. We look forward to continued improvement in the system's performance and anticipate that by mid-2012, the system may well-exceed original expectations and projections."

The credit calculation assumes combustion of the coarse solids and reductions in nitrogen application (as a fertilizer) based upon Kreider Farms' existing Nutrient Management Plan. The initial phase of the combustion facility is projected to be operational in Q3 2012. At the present time the coarse solids are being utilized as bedding for the dairy cows at Kreider Farms and are not being combusted.

Bion will commence trials in the first half of 2012 related to the production of single cell protein from the dairy waste fine solids at Kreider and its potential in the animal feed markets, in addition to its potential as an enhanced organic fertilizer product.

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 that can be used to produce renewable energy.

Bion recently installed its next-generation dairy waste treatment system at Kreider Dairy Farms, a 1,200 cow dairy facility in Lancaster County, Pennsylvania. The system was installed to reduce ammonia emissions and nitrogen and phosphorus discharges, as well as greenhouse gases, odors, pathogens and other pollutants that impact both the Chesapeake Bay and local waters. 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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