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IBEX REPORTS ITS FIRST QUARTER FISCAL 2011 RESULTS

MONTREAL, Quebec, December 15, 2010 – IBEX Technologies Inc. (TSX Venture: IBT), today reported its financial results for the first quarter ended October 31, 2010.

FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL 2011

Sales for the quarter ended October 31, 2010 totaled \$512,975, a decrease of 21% as compared to \$646,656 in the same period of the prior year. This net decrease of \$133,681 is mainly due to the weakness of the US dollar (\$55,566) and to a downturn in volume (\$78,115), all of which can be accounted for by one customer who had overestimated demand in 2010.

Excluding foreign exchange impact, expenses for the first quarter ended October 31, 2010 have increased by \$125,110 to \$690,863. This increase is attributable to several factors such as new R&D projects, a non-cash expense related to stock based compensation and other operational costs.

The net loss was \$177,888 compared to net earnings of \$71,877 for the same period year ago. The decrease in net earnings is mainly due, as mentioned above, to lower sales and the strengthening of the Canadian dollar versus the US dollar (which negatively impacts the sales when converted into Canadian currency), and to an increase in operating expenses.

Cash, cash equivalents, and marketable securities decreased 6% during the quarter to \$2,853,555 from \$3,033,556. The Company's working capital was \$3,007,680 as at the end of the first quarter ended October 31, 2010 down from \$3,278,875 as at the end of the prior quarter ending July 31, 2010. This decrease is due to a decrease in accounts receivable (due to lower sales).

"These results are consistent with previous guidance" said Paul Baehr, IBEX President and CEO. "We expect to see softness in our business environment through the balance of Fiscal 2011, before recovering in Fiscal 2012."



Financial Summary for the quarters ending

	October 31, 2010	October 31, 2009
Revenues	\$512,975	\$646,656
(Loss) Earning Before Interests, Tax, Depreciation & Amortization	(\$144,476)	\$103,350
Depreciation & Amortization	\$35,324	\$32,708
Net (Loss) Earnings	(\$177,888)	\$71,877
(Loss) Profit per Share	(\$0.01)	\$0.00
Cash, Cash Equivalents & Marketable Securities	\$2,853,555	\$2,661,569
Working Capital	\$3,007,680	\$2,930,953
Outstanding shares at report date (Common Shares)	24,703,244	24,703,244

LOOKING FORWARD

Fiscal 2011 looks to be a difficult year for IBEX's major US customers, and therefore for IBEX. Additionally, the Canadian dollar is forecast to remain strong against the US dollar, which does not work in our favour. We therefore do not expect to have positive net earnings in Fiscal 2011, but expect to return to profitability in Fiscal 2012, as the US economy improves.

Despite a difficult outlook for Fiscal 2011 we will continue to invest in the future. IBEX is adding additional manufacturing capacity, and will continue with the development of our improved immuno-assays, which are scheduled for introduction in calendar 2011, with financial benefits accruing in Fiscal 2012.

ABOUT IBEX

The Company manufactures and markets a series of proprietary enzymes (heparinases and chondroitinases). These enzymes are used in pharmaceutical research, quality assurance, and in the case of Heparinase I, in diagnostic devices which measure hemostasis in patients.

IBEX also manufactures and markets a series of arthritis assays which are widely used in pharmaceutical research. These assays enable the measurement of both the *synthesis* and *degradation* of cartilage components, and are powerful tools in the study of osteo- and rheumatoid arthritis.



For more information, please visit the Company's web site at www.ibex.ca.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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Safe Harbor Statement

All of the statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, are forward-looking statements. Such statements, based as they are on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown. Some examples of known risks are: the impact of general economic conditions, general conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which IBEX does business, stock market volatility, fluctuations in costs, and changes to the competitive environment due to consolidation or otherwise. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. IBEX disclaims any intention or obligation to update these statements.

Contact:

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CONSOLIDATED BALANCE SHEETS

UNAUDITED	October 31, 2010 \$	July 31, 2010 \$
ASSETS		
Current assets		
Cash and cash equivalents	2,153,555	2,333,556
Marketable securities	300,000	300,000
Accounts receivable	364,977	422,761
Inventories	211,995	226,364
Prepaid expenses	39,916	68,236
Sub-total current assets	3,070,443	3,350,917
Long term deposit	8,650	8,650
Marketable securities	400,000	400,000
Property and equipment	880,396	760,384
Total assets	4,359,489	4,519,951
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	462,763	472,042
Total liabilities	462,763	472,042
SHAREHOLDERS' EQUITY		
Capital stock	52,660,078	52,660,078
Contributed surplus	549,465	522,760
Deficit	(49,312,817)	(49,134,929)
Total shareholders' equity	3,896,726	4,047,909
Total liabilities and shareholders' equity	4,359,489	4,519,951

CONSOLIDATED STATEMENTS OF DEFICIT

	October 31, 2010 \$	October 31, 2009 \$
Balance - Beginning of period	(49,134,929)	(49,641,291)
Net (loss) profit for the period	(177,888)	71,877
Balance - End of period	(49,312,817)	(49,569,414)



CONSOLIDATED STATEMENTS OF (LOSS) EARNING AND COMPREHENSIVE INCOME

UNAUDITED

For the three months ended October 31st	2010	2009
	\$	\$
Revenue	512,975	646,656
Operating expenses		
Research and Development expenditures	(56,774)	-
Selling, general and administrative expenses and cost of goods sold	(562,212)	(495,125)
Amortization of property and equipment	(35,324)	(32,768)
Other interest and bank charges	(2,779)	(3,468)
Foreign exchange (loss) gain	(35,686)	(44,712)
Investment income	1,912	1,294
Total operating expenses	(690,863)	(574,779)
Net (loss) profit and other comprehensive income	(177,888)	71,877
Net (loss) profit and other comprehensive income per share		
Basic and diluted	\$ (0.01)	\$ -

See accompanying notes



CONSOLIDATED CASH FLOW STATEMENTS

UNAUDITED

For the three months ended October 31st	2010	2009
	\$	\$
Cash flows provided by (used in):		
Operating activities		
Net (loss) profit for the period	(177,888)	71,877
Items not affecting cash -		
Amortization of property and equipment	35,374	32,768
Stock-based compensation costs	26,705	-
Cash flow relating to operating activities	(115,809)	104,645
Net changes in non-cash working capital items -		
Decrease in accounts receivable	57,785	310,387
Decrease in inventories	14,369	24,686
Decrease in prepaid expenses	28,320	19,905
(Decrease) increase in accounts payable and accrued liabilities	(9,280)	5,089
Net changes in non-cash working capital balances relating to operations	91,194	360,067
Cash flow relating to operating activities	(24,615)	464,712
Investing activities		
Additions to property and equipment	(155,386)	(63,487)
Cash flow relating to financing activities	(155,386)	(63,487)
 (Decrease) Increase in cash and cash equivalents during the quarter	 (180,001)	 401,225
Cash and cash equivalents - Beginning of period	2,333,556	2,260,344
Cash and cash equivalents - End of period	2,153,555	2,661,569

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Ibex Technologies Inc.

Notes to Consolidated Financial Statements

For the three months ended October 31, 2010 and 2009 (unaudited)

These interim consolidated financial statements do not conform in all respects to the disclosure requirements of Canadian generally accepted accounting principles for annual financial statements and as such the consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the years ended July 31, 2010 and 2009, which do conform to the disclosure requirements. These consolidated interim financial statements have been prepared using the same accounting policies as outlined in note 2 to the consolidated financial statements for the years ended July 31, 2010 and 2009 except as outlined in Note 2 below.

The consolidated interim financial statements for the three months ended October 31, 2010 and for the three months ended October 31, 2009 are unaudited and have not been reviewed by the company's auditors. The results of operations for this period are not necessarily indicative of the trends of the operating results for the full year.

2. Significant accounting policies

Financial instruments

During the year ended July 31, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, "Comprehensive Income"; Section 3251, "Equity"; Section 3855, "Financial Instruments – Recognition and Measurement"; Section 3862, "Financial Instruments – Disclosures"; Section 3863, "Financial Instruments – Presentation"; and Section 3865, "Hedges". These standards provide accounting guidelines for the recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives, as well as the introduction of a new statement of comprehensive income. Section 3865 did not have an impact on the Company as it does not use hedge accounting. The Company elected to early adopt Sections 3862 and 3863, as permitted by the standards.

The Company's adoption of these new financial instrument standards resulted in changes in the accounting for financial instruments, as well as the recognition of certain transitional adjustments that have been recorded in opening deficit as described below. The principal changes in the accounting for financial instruments due to the adoption of these accounting standards are as follows.

a) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events and circumstances from sources other than shareholders, and is composed of the Company's net earnings (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenues, expenses, gains and losses that are recognized in comprehensive income (loss) but excluded from net earnings (loss). The Company does not have any components that qualify as other comprehensive income (loss).

b) Financial assets and financial liabilities

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated balance sheet when the Company becomes a party to the contractual provisions of the financial instrument or non-financial derivative contract. Financial instruments are initially recognized at fair value and are classified into one of five categories: held for trading, available for sale, held to maturity, loans and receivables, or other financial liabilities. They are subsequently accounted for based on their classifications as described below. The classification depends on the purpose for



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which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. Transaction costs are expensed as incurred.

Held for trading

Financial instruments classified as held for trading are carried at fair value at each balance sheet date with the changes in fair value recorded in net earnings (loss) in the period in which the changes arise.

Available for sale

Financial instruments classified as available for sale are carried at fair value at each balance sheet date with the changes in fair value recorded in other comprehensive income (loss) in the period in which the changes arise. Securities that are classified as available for sale and do not have a readily available market value are recorded at cost. Available-for-sale securities are adjusted to fair value through earnings (loss) whenever it is necessary to reflect other than temporary impairment. Upon derecognition, all cumulative gains or losses are then recognized in net earnings (loss).

Held to maturity, loans and receivables, and other financial liabilities

Financial instruments classified as held to maturity, loans and receivables, and other financial liabilities are carried at amortized cost using the effective interest method, and interest income or expense is included in net earnings (loss) over the expected life of the instrument.

Management has selected the following classifications and bases of accounting for the Company's financial instruments:

Asset/Liability	Classification	Basis of accounting
Cash and cash equivalents	Held for trading	Fair value
Marketable securities	Held to maturity	Amortized cost
Accounts receivable	Loans and receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost



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c) Embedded derivatives

All derivative instruments are recorded in the consolidated balance sheet at fair value at each balance sheet date. Derivatives may be embedded in other financial instruments (the “host instrument”). Prior to the adoption of the new standards, such embedded derivatives were not accounted for separately from the host instrument. Under the new standards, embedded derivatives are treated as separate derivatives if their economic characteristics and risks are not clearly and closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value at each balance sheet date with subsequent changes recognized in net earnings (loss) in the period in which the changes arise. The Company selected August 1, 2002 as its transition date for embedded derivatives, which is the latest date allowed by the accounting standard.

The Company enters into certain contracts for the sale of non-financial items that are denominated in currencies other than the Canadian dollar, the Company’s functional currency. In cases where the foreign exchange component is not leveraged, does not contain an option feature and the contract is either denominated in the functional currency of the counterparty, the non-financial item is routinely denominated in the currency of the contract or the currency of the contract is commonly used in the economic environment in which the transaction takes place, the embedded derivative is considered to be closely related and is not accounted for separately. The fair value of financial instruments is determined using recognized valuation models using observable market-based inputs.

Embedded foreign currency derivatives gave rise to a transitional adjustment for the cumulative impact of adopting these new standards for prior years, which was recognized as an adjustment directly to opening deficit of fiscal 2008. No other transitional adjustments were recorded as a result of the adoption of the new standards. The impact of the adoption was a one-time increase of \$4,711 to deficit and accounts payable and accrued liabilities.

During the three months ended October 31, 2010, no impact of the change in the fair value of the derivatives related to sales contracts was recorded in foreign exchange loss. (2010: loss of \$107,618).

Capital disclosures

During the year ended July 31, 2008, the Company early adopted CICA Handbook Section 1535, “Capital Disclosures”, as permitted by the standard. The standard requires the disclosure of both qualitative and quantitative information that enables the users of the financial statements to evaluate the Company’s objectives, policies and processes for managing capital.

The adoption of this Section did not have an impact on the Company’s financial position, earnings or cash flows; however, it did result in expanded disclosure.



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Inventories

On August 1st, 2008, the Company adopted CICA Handbook section 3031 “Inventories”, which provides guidance on the determination of costs and their subsequent recognition as an expense and provide guidance on the determination of cost, including the allocation of fixed and variable overheads; narrows the permitted costs formulas; and expands the disclosure requirements to increase transparency.

Inventories are composed of work in process and finished goods, which are valued at the lower of cost and net realizable value determined on a first-in, first-out basis. Inventory cost includes materials, direct labor and attributable overhead. During the three months ended October 31, 2010 the Company recognized an expense of \$312,535 in cost of products sold.

	October 31, 2010	July 31, 2010
	\$	\$
Inventories		
Assay kits	23,274	14,419
Enzymes	150,984	197,130
Work in process – enzymes	37,737	14,815
Total inventory	211,995	226,364

Goodwill and Intangible Assets

Section 3064 replaces the existing Section 3062, “Goodwill and Other Intangible Assets”, and Section 3450, “Research and Development Costs”. The standard provides guidance on the recognition, measurement and disclosures of goodwill and intangible assets. Management does not expect this Section to have a significant impact on its financial position, earnings or cash flows.

3. Marketable securities

(a) Marketable securities include the following:

	October 31, 2010	July 31 2010
	\$	\$
Debt Securities – at cost [which approximates market value (note 2(b))]	700,000	700,000
	700,000	700,000



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(b) The marketable securities as at October 31, 2010 consist of GICs held at highly rated institutions which mature on April 6, 2011 in the amount of \$300,000, and March 8, 2012 in the amount of \$400,000, and have annualized yields of 1.35% and 1.95% respectively.

4. Capital stock and contributed surplus

As at October 31, 2010, the company's authorized capital stock is as follows:

(a) Unlimited as to number

- Cumulative, redeemable First preferred shares, issuable in series. The first series consisted of 150,000 shares, convertible into common shares at a rate of 188.68 voting common shares for each preferred share.
- Cumulative, redeemable convertible Second preferred shares, issuable in series.
- Third preferred shares, issuable in series.
- Common shares.

(b) Issued

Book value	October 31, 2010 \$	July 31 2010 \$
24,703,244 Common shares (2010: 24,703,244)	52,660,078	52,660,078

(c) Stock Options

During the three months ended October 31, 2010, the weighted average fair value of the options granted at an exercise price at or above market price is \$29,500. No options were granted during the quarter ended October 31, 2010.

For the three month period ended October 31, 2010, there was an increase to general and administrative expenses of \$26,706 and a corresponding increase to contributed surplus for stock based compensation amortization.

Under the existing IBEX Technologies Inc. ("IBEX") stock option plan, common shares may be issued to full-time employees of the company, directors and consultants, the terms and conditions of grants there under being contingent upon market values, the discretion of the Board of Directors and regulatory requirements. The number of common shares reserved for issuance under this stock option plan is currently 1,592,992. The maximum term permissible under the plan is 10 years which is determined at the date of grant as well as the vesting privileges.



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The following table summarizes the IBEX stock option plan:

	October 31, 2010		July 31 2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Beginning balance – July 31	1,478,385	0.26	769,385	0.26
Granted	-	-	720,000	0.23
Expired	(23,885)	0.63	(11,000)	0.52
Cancelled	-	-	-	-
Ending balance	<u>1,454,500</u>		<u>1,478,385</u>	

The following table summarizes the IBEX stock options outstanding as at October 31, 2010:

	Options outstanding			Options currently exercisable	
	Issued stock options	Weighted average remaining contractual life (years)	Weighted average exercise price	Vested stock options	Weighted average exercise price
Range of exercise prices					
\$			\$		\$
0.06	25,000	7.12	0.06	25,000	0.06
0.10	280,000	7.41	0.10	280,000	0.10
0.18-0.24	961,500	8.27	0.22	472,500	0.22
0.33-0.45	57,500	2.91	0.35	57,500	0.35
0.50-0.70	<u>130,500</u>	1.90	0.59	<u>130,500</u>	0.59
	<u>1,454,500</u>			<u>965,500</u>	

5. Profit (loss) per share

Loss per share is calculated using the weighted average number of shares outstanding of 24,703,244 (2010: 24,703,244). Securities which dilute profit per share are employee options.

There were no adjustments to the weighted average number of shares outstanding for purposes of calculating the diluted loss per share for the period ended of October 31, 2010 because to do so would be anti-dilutive.



6. Currency impact

The US dollar is the Company's principal currency for sales. Accordingly, fluctuations in the US/Canadian exchange rate have a significant impact on the Company's reported results. The Company's net earnings are impacted by changes in both the average and period end rates.

A change in the average rate will significantly impact the current US dollar sales when translating them into Canadian dollar amount.

A change in the period end rate will have an impact on US dollar monetary assets and liabilities which are translated at each balance sheet date with resulting gains and losses recorded in financial expenses.

In comparison to the same quarter last year, the US dollar decreased an average of 6% and based on period ending rates by 5%.