



FOR IMMEDIATE RELEASE

TSX symbol: SBS

BOTANECO OBTAINS \$2.4 MILLION IN FUNDING FROM AVAC

Calgary, Canada – October 17, 2007 – Botaneco, a business unit of SemBioSys Genetics Inc. (TSX:SBS), today announced that it has reached an agreement with AVAC Ltd. for \$2.4 million in non-dilutive funding for the development of Botaneco as an independent business. The funding will be paid in installments over a 27-month period, beginning in the fourth quarter of 2007, upon the formation of Botaneco as a separate legal entity and the execution of development and commercial milestones.

“We believe this funding will contribute towards our strategy for Botaneco to operate independent of SemBioSys and provide the opportunity for it to grow and advance its commercial strategy. With the recent commissioning of the commercial manufacturing facility and the launch of Botaneco’s Hydresia™ product earlier this month, the AVAC funding will allow us to continue the momentum we are building with the Botaneco business,” said Andrew Baum, President and CEO of SemBioSys Genetics Inc. “Historically, AVAC has supported a number of programs at SemBioSys and their commitment to Botaneco demonstrates the opportunity we believe exists for our oilbody-oleosome technology in the personal care and topical ingredients market.”

In return for the funding, Botaneco has agreed to provide AVAC a modest royalty, by industry standards, beginning in December 2009 on all gross revenues derived by Botaneco in arrears until an aggregate return up to a maximum of two times the gross amount invested by AVAC has been remitted.

About Botaneco (www.botaneco.ca)

Botaneco, a business unit of SemBioSys, will manufacture and market branded lines of high performance, naturally derived base emulsions and delivery systems used in the development of cosmetics, personal care and prescription topical/dermatology products. Botaneco is leveraging SemBioSys’ proprietary technology, a first-in-class, all-in-one system for emulsification, skin barrier protection and superior hydration and absorption of nutrient rich moisturizers and emollients as well as enhanced performance of skincare actives.

About SemBioSys Genetics Inc. (www.sembiosys.com)

Calgary, Alberta-based SemBioSys Genetics Inc. is a biotechnology company developing protein-based pharmaceuticals for metabolic and cardiovascular diseases. The Company’s lead pharmaceutical candidates, produced in the plant host safflower, are recombinant human insulin to serve the rapidly expanding global diabetes market and Apo AI, a next generation cardiovascular drug. In addition to its pharmaceutical products, SemBioSys is developing a series of non-pharmaceutical products addressing human topical, nutritional oils and animal health markets.

About AVAC (www.avacLtd.com)

AVAC Ltd. is a not-for-profit company dedicated to accelerating the growth of agrivalue™ in Alberta. AVAC invests in innovation ideas that add value to agricultural commodities through coaching, knowledge, contacts and financial resources. AVAC’s mission is to help accelerate the growth of

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agrivalue™ in Alberta. Created in 1997, AVAC has to date committed over \$43,000,000 to agrivalue™ initiatives.

This press release contains certain forward-looking statements, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and other similar expressions which constitute "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking statements reflect the Company's current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These forward-looking statements involve risks and uncertainties including, but not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and other risks detailed from time-to-time in the Company's ongoing filings with the Canadian securities regulatory authorities which filings can be found at www.sedar.com. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

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