

ADVANSOURCE BIOMATERIALS AND MEDIBRANE

FORM STRATEGIC ALLIANCE

Wilmington, MA. January 25, 2016

AdvanSource Biomaterials Corporation (OTCQB: ASNB), a leading developer of advanced polymer materials for a broad range of medical devices, today announced a strategic alliance with Medibrane, Ltd, a leading Israeli coating technology company. The Strategic Alliance provides for technology collaboration, development and commercialization of medical coatings using our material technologies in collaboration with Medibrane's coating and surface modification technologies and enhancements.

Khristine Carroll, AdvanSource's EVP, said, "We are pleased to launch the first phase of our strategic coating initiative with Medibrane, which has demonstrated its ability to fulfill unmet needs in the coatings industry and overcome clinical challenges. We believe this strategic alliance should leverage our technologies thereby providing us technologic and competitive advantages."

Dr. Amir Kraitzer, CTO of Medibrane, said "We have been using AdvanSource polymers for encapsulation coatings and hydrophilic-based solutions over the last two years and have found their polymers to provide an excellent solution for frame-based devices. In addition, we are extremely pleased with their customization, support and market knowledge."

Elad Einav, CEO of Medibrane, added, "Joining forces with AdvanSource enables both parties to offer customized solutions, thereby providing superior solutions to our clients."

About AdvanSource Biomaterials Corporation

AdvanSource Biomaterials Corporation manufactures advanced polymer materials which provide critical characteristics in the design and development of medical devices. The Company's biomaterials are used in devices that are designed for treating a broad range of anatomical sites and disease states. AdvanSource's business model leverages its proprietary materials science technology and manufacturing expertise in order to expand product sales, royalties and license fees. More information about AdvanSource is available at: www.advbiomaterials.com.

About Medibrane Ltd.

Medibrane Ltd. is a designer, developer and manufacturer of customized polymeric surgical implants, implantable device coatings, encapsulation coatings, and bio-absorbable implants - intended for a diverse range of MIS in such fields as neurology, cardiovascular, cardiology, and urology, as well as for gastroenterology, biliary and respiratory devices. More information about Medibrane is available at: www.medibrane.com.

Forward-Looking Statements

AdvanSource Biomaterials Corporation believes that this press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause results to differ materially from the forward-looking statements. For further information on such risks and uncertainties, you are encouraged to review the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and its Quarterly Report on Form 10-Q for the quarters ended June 30, 2016 and September 30, 2016. The Company assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

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