



ADVANSOURCE BIOMATERIALS ANNOUNCES MULTI-YEAR SUPPLY AGREEMENT

Wilmington, MA. August 24, 2010... AdvanSource Biomaterials Corporation (NYSE Amex: ASB), a leading developer of advanced polymer materials for a broad range of medical devices, today announced that the Company has entered into a multi-year supply agreement with a leading multi-national medical device company. This supply agreement is the result of the Company's successful performance on a development agreement, which was entered into with this customer in June 2009.

The supply agreement calls for the supply of specialized hydrophilic polymer resins and solutions, which were designed to meet the key characteristics required to optimize device performance. This multi-year supply agreement, having an initial term of five (5) years, includes an annual usage fee per each commercial end-product that incorporates our polymers. These hydrophilic polymers are being positioned for use across multiple product lines by this customer. At the end of the initial term, the agreement automatically renews for additional one (1) year periods if not earlier terminated by either party.

Khristine Carroll, AdvanSource's Vice President of Sales and Marketing, stated, "The development agreement, entered into last year with this leading multi-national medical device company, was a significant step in our vertical integration strategy. We believe that advancing this relationship from product development to the supply of commercial polymers, specifically designed to meet the specific requirements of our customer, validates our strategy to leverage our biomaterials technology and capabilities in partnership with developers and manufacturers of medical devices. This agreement is important as it not only provides a recurring annual usage fee for each and every medical device product introduced to the market by our customer, but it also provides for us to manufacture and supply our polymer products to this customer, which should be an additional catalyst in growing our product sales and improving our margins."

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 its product sales and royalty and license fee income. More information about AdvanSource is available at its website: www.advbiomaterials.com

Forward-Looking Statements

AdvanSource 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 AdvanSource's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and its Quarterly Report on Form



10-Q for the quarter ended June 30, 2010. AdvanSource 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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