



Enablence Technologies Announces Financing for China Joint Venture

Toronto, Canada – May 11, 2011 – Enablence Technologies Inc. (“Enablence” or the “Company”), a leading supplier of optical components and subsystems for access, metro and long-haul markets and fiber-to-the-home (“FTTH”) equipment and multi-services access platform for triple-play residential and business services today announced it has finalized a US\$3.5 million note payable with a California chartered bank, to be used to fund the Company’s investment in Sunsea-Enablence Optoelectronics (the “China JV”), its new joint venture based in Foshan, China. The note payable:

- matures on April 20, 2016;
- bears interest at the greater of 5.5% and Wall Street Journal Prime Rate plus 1.5%;
- is secured by US\$1.2 million of cash on deposit and the shares in the China JV; and
- is repayable at interest only for the first twelve months, then interest and principal amortized over the remaining term of the loan.

As partial consideration for the loan, the Company granted the bank warrants to acquire up to 400,000 common shares of Enablence, at an exercise price of \$0.22 per share, expiring April 9, 2013, subject to TSX Venture Exchange approval.

The China JV, announced by the Company on December 13, 2010, will be created with an initial capital investment of US\$18 million, of which Enablence will contribute US\$3.5 million in cash and US\$1 million in equipment, as well as its market-leading expertise in developing and manufacturing optical components based on its PLC technology. Enablence will hold a 49-percent ownership stake in the joint venture.

"We are very pleased to have taken this significant step in the creation of the China JV," said Tim Thorsteinson, CEO of Enablence. "We look forward to the set up of operations in China, and a long and profitable relationship."

The Company used US\$1.2 million of its recently announced financing to help secure the loan.

As announced in the Company's press release on April 28, 2011, the Company continues to explore all strategic alternatives for the most value-enhancing and efficient divestiture of its Systems Division.

About Enablence Technologies Inc.

Enablence Technologies Inc. is a publicly traded company that designs, manufactures and sells optical components and subsystems for access, metro and long-haul markets to a global customer base and fiber-to-the-home (FTTH) equipment and multi-service access platforms for triple-play residential and business services. Enablence delivers a key portion of the infrastructure for next-generation telecommunication systems. The Company's product lines address all three segments of optical networks: Access, connecting homes and businesses to the network; Metro, communication rings within large cities; and Long-haul, linking cities and continents. The Company's Access solutions enable voice, data, video, and Internet communications across both copper and fiber-based network infrastructures. For more information, visit www.enablence.com.

Forward-looking Statements

This press release may contain forward-looking statements, in particular with respect to the use of proceeds of the financing, the funding of the joint venture in China, the future growth of the Components Division (including the joint venture) and the divestiture of the Systems Division, that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution our readers of this press release not to place undue reliance on our forward looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR www.sedar.com. Enablence does not intend, and disclaims any obligation, except as required by law, to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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