



Enablence Technologies provides financing and business update

Toronto, Canada – July 4, 2012 - Enablence Technologies Inc. (“Enablence” or the “Company”) (TSX VENTURE: ENA) announced today that it has obtained a US\$3 million bridge loan from a California bank to fund on-going operations, which will be guaranteed by a third party secured against the Company. The Company also announced its intention to sell its wholly-owned photodiode business located in Switzerland (“ENA Switzerland”).

The bridge loan will provide cash to operate the business while the Company finalizes the renegotiation of certain secured notes payable totalling approximately US\$11 million (the “Notes”). The Company is in active negotiations with the Note holders, and expects to finalize the revised payment terms in July. While the Notes were due on June 23, 2012, the Note holders have agreed to a standstill agreement which provides that the Note holders will not initiate actions to collect on the Notes during the renegotiation period. The Company intends to obtain additional financing, either from strategic or financial investors, to support the Company’s expected growth of PIC (Photonic Integrated Circuits) products, including the production of the Company’s multi-channel 100G optical components, including transmitter/receiver optical sub-assembly (“TOSA/ROSA”) and 100G polarization multiplexed quadrature phase shift keying (“PM-QPSK”) products. The proceeds from the sale of ENA Switzerland will be used to partially repay the bridge loan and the Note holders and fund continuing operations.

“This bridge loan and the planned sale of ENA Switzerland is a significant step towards putting Enablence on a sound financial footing so that the Company can secure its long term future and continue to provide its customers with reliable and uninterrupted products and services going forward” said Peter Dey, Chairman of Enablence. “Thanks to the continued support of our tier-1 customers and key suppliers, we have been able to operate normally through the month of June. We expect to report an increase of over 30% in revenues for the June quarter as compared to the March quarter. Furthermore, our joint-venture company, Sunblence Technologies, has begun shipping its first commercial splitter products and is aggressively ramping up capacity to meet anticipated growth in local access markets. We will provide more details when we report our year end results later this summer.”

About Enablence Technologies Inc.

Enablence Technologies Inc. is a publicly traded company (TSX VENTURE: ENA) that designs, manufactures and sells optical components and subsystems to a global customer base. It utilizes its patented technologies including planar lightwave circuit (“PLC”) intellectual property in the production of an array of photonics components and broadband subsystems that deliver 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. For more information, visit www.enablence.com.

Forward-looking Statements

This press release may contain forward-looking statements, in particular with respect to the bridge loan and standstill arrangements, the restructuring of current debt obligations, including with the Company’s noteholders, the sale of ENA Switzerland, the expectations of the joint venture in China and increased revenues, margins, profitability and future growth of the continuing operations (including the joint venture) that are made 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.

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