



Pacific Sands Announces Relocation to Larger Racine Facility

Racine, WI, December 28, 2010 -- Pacific Sands, Inc. (OTCBB:PFSD) (www.pacificsands.biz), which manufactures environmentally friendly, non-toxic liquid and powder cleaning, laundry, and water treatment products, announced it has completed moving the company's operations, distribution and manufacturing to a larger facility in Racine to accommodate growing demand for its products. The new location is nearly double the square footage of the previous facility, and because it consolidates 4 separate spaces on two floors into a single ground floor location, it also provides for greater efficiency than the previous location.

"With several quarters of consistent year-over-year sales growth and a promising pipeline of orders, we were pleased to find a facility in Racine that can accommodate additional manufacturing equipment and give us more space for raw materials and finished goods," said Michael Michie, CEO. "As an example, to support increasing orders, our inventory of raw materials in first fiscal quarter 2011 was nearly five times the level in first fiscal quarter 2010."

Earlier this year, Pacific Sands was named by the Milwaukee Business Journal as the fastest growing publicly held company in Wisconsin based on net sales. In 2009, the Business Journal ranked Pacific Sands #2 in sales growth.

"The move was consistent with our focus on expense control," noted Michie. "With relatively high vacancy rates in Racine's manufacturing and warehousing facilities, we were able to negotiate a lease substantially reducing our cost per square foot compared with the previous facility. The cost of our new location will be approximately the same as what we were previously paying."

At September 30, 2010, the fiscal first quarter of 2011, the company reported net sales increased 24% to \$314,779 compared with \$253,545 in fiscal first quarter 2010. In the quarter, the company narrowed its net loss to \$11,750 compared with a \$65,317 loss in the prior year's quarter.

Pacific Sands generated income from operations of \$11,413 in fiscal first quarter 2011 compared with a loss from operations of \$44,061 in fiscal first quarter 2010. Gross profit margin increased to 58% compared with 53% the prior year's quarter, contributing to a 35% increase in gross profit in first quarter 2011.

Michie said: "We are seeing the positive results from a number of initiatives to upgrade operations and efficiency. Increasing product sales through relationships with several leading retailers has enabled the company to purchase raw materials in larger quantities to obtain better pricing. Eliminating several slow-selling products and sizes, reducing finished goods inventories by better matching production to sales orders, and reducing the number of costly back orders and partial orders all contributed to margin improvement."

The company has experienced particularly strong sales growth in its line of "green" cleaning products such as laundry detergents, non-allergenic body and hair washes, and non-toxic cleaning products such as glass, floor, tile and kitchen counter cleaners. Pacific Sands private labels a wide variety of its products, which are sold by leading retailers worldwide. It also markets its products directly to consumers through its website (www.ecogeeks.com), and as branded products through retailers.

In 2010, Pacific Sands established several new distribution and joint marketing agreements to expand sales opportunities for its ecoone®, Natural Choices™, and E2 elemental earth® lines. Michie said the company continues to pursue opportunities for adding new marketing partnerships and the development of new products for private label customers. Pacific Sands has a skilled product development team, including two PhD chemists with 20 patents registered in their names.

"Our operations and manufacturing processes are highly flexible, structured to efficiently develop and produce specific products and even unique formulations for customers," explained Michie. "Direct selling through our ecogeeks website has been tremendously successful since we launched it in 2009, while private labeling and joint marketing agreements deliver a large and broad audience by leveraging additional distribution channels."

Michie noted the company has steadily expanded sales through distribution and marketing alliances without margin erosion. He said the company anticipates strong gross profit margin performance in the second half of the fiscal year due to the operating efficiencies of the new manufacturing and distribution facility even as more new marketing and private label relationships are announced.

In its drive to achieve consistent quarterly net income, the company has been restructuring its balance sheet. "Interest expense has had a significant negative impact on our bottom line," noted Michie. "One of our top priorities is to continue reducing our convertible notes,

refinancing some of the company's high-cost debt while increasing the amount of traditional trade credit we are able to carry. We anticipate our increasing financial strength will facilitate this initiative." He added that Pacific Sands had cumulative net operating loss carryforwards of \$3,280,000 at September 30, 2010 that can be used to offset future income tax liabilities which will further improve cash flow from operations in future quarters.

President Michael L. Wynhoff concluded: "It has been a long and sometimes challenging road since we assumed management of the company in 2004. We strongly believed then that more and more people would embrace environmentally responsible products as long as they worked as well or better than traditional chemical-based products and our strong sales growth confirms that belief.

"Our products meet the highest standards for performance at a competitive price, and the growth in demand for non-toxic cleaning and water treatment products have, indeed, been dramatic. We're excited to be in the forefront of this growing movement."

About The Company

Pacific Sands, Inc. (www.pacificsandsinc.com) is a rapidly growing company that develops, markets and sells unique non-toxic, earth-, health- and child-friendly products for cleaning, personal hygiene, pet care and water maintenance applications. The company's ecoone® Spa Treatment system was named a "Top 50 product for 2008" by Pool and Spa News. Wal-Mart's Innovation Network awarded one of the company's products the highest "Success Likelihood Score" ever granted in the program's 22-year history. Pacific Sands environmentally friendly products for cleaning, laundry and pool and spa care are available at www.ecoone.biz and www.EcoGeeks.com.

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The statements contained in this release and statements that the company may make orally in connection with this release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected in the forward-looking statements, since these forward-looking statements involve risks and uncertainties that could significantly and adversely impact the company's business. Therefore, actual outcomes and results may differ materially from those made in forward-looking statements.

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