

CRH MEDICAL ANNOUNCES THIRD CONSECUTIVE PROFITABLE QUARTER

-THIRD QUARTER REVENUE INCREASES 51%-

VANCOUVER, October 26, 2011 - CRH Medical Corporation (TSX-V: CRM, OTCQX: CRMMF), a North American medical company focussed on providing physicians with innovative products for the treatment of gastrointestinal diseases, today announced its unaudited financial results for the three and nine months ended September 30, 2011. All financial results are expressed in U.S dollars.

Third Quarter Financial Highlights

(in 000's of US\$)	Q3 2011	Q3 2010	Change	9-Month 2011	9-Month 2010	Change
Revenue	\$1,399	\$928	+51%	\$ 4,005	\$ 2,508	+60%
Net income/loss	\$301	(\$229)	-	\$650	(\$994)	-
Total operating expenses	\$1,115	\$933	+20%	\$3,386	\$2,827	+20%

“The Company’s increase in revenue and net income indicate that our business strategy of selling directly to physicians is gaining momentum as evidenced by our third consequent profitable quarter,” said Edward Wright, Chief Executive Officer of CRH Medical. “Looking ahead, we believe we are poised for more growth as we continue to strategically market our effective and safe lead product, the CRH O'Regan System, to an expanding direct-to-physician distribution network. Historically, our product adoption rate among clinical practices that have received training has been more than 90%. As our training efforts for new gastroenterologists in the U.S. gain traction, and our existing network of physicians increase their product usage, we feel there is a compelling opportunity for CRH Medical going forward.”

The O'Regan System is a single use, disposable, hemorrhoid treatment that is safe and highly effective in treating hemorrhoid grades I - IV. The Company's goal is to establish the O'Regan System as the standard of care for hemorrhoid treatment. In addition to the product, CRH Medical delivers clinical, marketing and operational support directly to its partner physicians.

Operational Highlights

- As of September 30, 2011 the Company had trained 967 physicians to use the O'Regan System, representing 312 clinical practices in 43 U.S. states. During the same period a year earlier, the Company had trained 650 physicians, representing 213 clinical practices in 39 states.
- During the third quarter the Company's website received more than 80,000 visitors resulting in over 5,000 new patient calls to the 517 physicians listed on our website.

- As at September 30, 2011, the Company had \$2,750,711 in cash and cash equivalents compared to \$1,792,461 at December 31, 2010.

CRH Medical will hold a conference call on October 26, 2011 to discuss its third quarter. The call will take place at 4:15 pm EST and can be accessed by dialing 1-888-231-8191. At the call's completion, an audio replay will be available by calling 1-855-859-2056 and using pass code 21262796. The phone replay will be available through November 10, 2011.

Financial Results

Revenues for the three months ended September 30, 2011 were \$1,399,190 compared to \$927,775 for the three months ended September 30, 2010. Revenues for the nine months ended September 30, 2011 were \$4,005,189 compared to \$2,508,008 for the nine months ended September 30, 2010.

The increase in revenue is the result of the Company's sales of its O'Regan System direct to physicians. In January of 2009, the Company initiated its direct-to-physician program that provides physicians the ability to purchase our hemorrhoid banding technology, treatment protocols, marketing and operational experience. The increase in product sales is the result of the continuing successful execution of this program, training additional physicians and supporting physicians with marketing material and other practice support to increase use of our technology.

Product sales expenses for the three months ended September 30, 2011 were \$673,226 compared to \$455,274 for the three months ended September 30, 2010. Product sales expenses for the nine months ended September 30, 2011 were \$1,982,824 compared to \$1,403,839 for the nine months ended September 30, 2010. The increase in product sales expenses is a result of increased sales of the Company's O'Regan System and the cost to train and support additional physicians and practices. Product sales expenses primarily include physician wages and travel associated with training, the cost of manufacturing the O'Regan System, cost of quality systems and programs, consulting expenses, web marketing, marketing material, business development and legal expenses.

Corporate expenses for the three months ended September 30, 2011 were \$442,023 compared to \$477,775 for the three months ended September 30, 2010. Corporate expenses for the nine months ended September 30, 2011 were \$1,403,839 compared to \$1,462,726 for the nine months ended September 30, 2010. Corporate expenses include payroll and related expenses of the executive management team, investor relations and administrative functions. Corporate expenses also includes cost associated with being a public company including audit fees, listing expenses, legal fees, insurance and board of director cost.

For the three months ended September 30, 2011, the Company reported net income of \$301,087 (\$0.006 and \$0.006 per share basic and diluted) compared to a net loss of \$228,919 (\$0.005 per share basic) for the three months ended September 30, 2010. Net income for the nine months ended September 30, 2011 was \$649,768 (\$0.013 and \$0.013 per share basic and diluted) compared to a loss of \$994,157 (\$0.02 per share basic) for the same period in 2010.



The Company's September 30, 2011 financial report and corresponding MD&A will be available on www.sedar.com and the Company website www.crhmedcorp.com.

Subsequent Event

Subsequent to quarter end, the Company retained The Equicom Group ("Equicom") to provide strategic investor relations and financial communications services. Under the terms of the agreement, CRH Medical will pay Equicom a monthly retainer fee of \$7,000 for select strategic communications services. The initial contract term is 12 months. Neither Equicom nor any of its principals have an ownership interest, directly or indirectly, in CRH Medical or its securities, and CRH Medical has not granted Equicom or its principals any right to acquire such an interest. Equicom is a wholly-owned subsidiary of TMX Group Inc.

About CRH Medical Corporation:

CRH Medical Corporation specializes in the distribution of innovative medical products directly to physicians, particularly those in the gastroenterologist community. The Company's lead product, the CRH O'Regan System, is a single use, disposable, hemorrhoid treatment that is safe and highly effective in treating hemorrhoid grades I - IV. The O'Regan System is rapidly emerging as the standard of care with gastroenterologists who treat hemorrhoids. In addition to the product, CRH Medical delivers clinical, marketing and operational support directly to its partner physicians. CRH utilizes its web-based platform to connect doctors with patients as well as educating its ever increasing install base of physicians.

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Forward looking statements:

The information in this news release contains so-called "forward-looking" statements. These include statements regarding CRH Medical's expectations and plans relating to its business, statements about CRH Medical's expectations, beliefs, intentions or strategies for the future, which may be indicated by words or phrases such as "anticipate", "expect", "intend", "plan", "will", "we believe", "CRH Medical believes", "management believes", and similar language. All forward-looking statements are based on CRH Medical's current expectations and are subject to risks and uncertainties and to assumptions made. Assumptions include: (i) that the growth of CRH's product sales will continue in a consistent manner; (ii) CRH's costs will not escalate significantly; and (iii) CRH does not incur any extraordinary costs.

Important risk factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include: (i) we may not continue to attract Gastroenterologists and other licensed providers to purchase and use the CRH O'Regan System; (ii) the policies of health insurance carriers in the United States may affect the amount of revenue the Company receives; (iii) changes in United States federal or state laws, rules, and regulations; (iv) our senior management has been key to our growth, and we may be adversely affected if we lose any member of our senior management; (v) economic dependence on suppliers and our contract manufacturer; (vi) changes in the industry and the economy may affect the Company's business; (vii) evolving regulation of corporate governance and public disclosure may result in additional corporate expenses; (viii) we may be subject to competition and technological risk which may impact the price and amount of product we can sell; (ix) we may be subject to product liability which may adversely affect our operations; (x) we may need to raise additional capital to fund future operations; (xi) our business may be impacted by health care reform in the United States; (xii) we may not have the expertise required to expand internationally. As a single product company, any adverse event directly or indirectly related to the CRH O'Regan System will have a material impact on the Company's financial performance. CRH Medical bases its forward-looking statements on information currently available to it, and assumes no obligation to update them, except as required by law.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

CRH MEDICAL CORPORATION

Consolidated Statement of Financial Position As at September 30, 2011, December 31, 2010, and January 1, 2010

Consolidated Statement of Financial Position	Note	September 30, 2011	December 31, 2010	January 1, 2010
As at September 30, 2011, December 31, 2010, and January 1, 2010				
Assets				
Current Assets				
Cash and cash equivalents	3 (b)	\$ 2,750,711	\$ 1,792,461	\$ 1,672,512
Trade and other receivables	6	457,905	539,238	1,042,091
Prepaid expenses and deposits		115,589	129,332	165,466
Inventories	3 (f)	393,419	318,679	78,275
Total Current assets		3,717,624	2,779,710	2,958,344
Non-Current Assets				
Property and equipment	3 (g), 10	85,275	115,117	597,264
Intangible assets	3 (h), 11	214,813	243,402	268,367
Total Non-Current assets		300,088	358,519	865,631
Total Assets		\$ 4,017,712	\$ 3,138,229	\$ 3,823,975
Liabilities				
Current Liabilities				
Trade and other payables	7	\$ 65,275	\$ 159,648	\$ 406,477
Other financial liabilities		\$ 355,804	314,853	178,711
Employee benefits	3 (e)	\$ 252,935	326,127	92,001
Non financial liabilities		-	-	57,304
Total Current Liabilities		674,014	800,628	734,493
Equity				
Share Capital		17,181,474	17,180,460	16,873,657
Contributed surplus		5,007,272	4,651,957	4,093,824
Accumulated other comprehensive income		(66,772)	(66,772)	(66,772)
Retained earnings		(18,778,276)	(19,428,044)	(17,811,227)
Total Equity		3,343,698	2,337,601	3,089,482
Total Liabilities and Equity		\$ 4,017,712	\$ 3,138,229	\$ 3,823,975

CRH MEDICAL CORPORATION

Consolidated Statement of Operations and Comprehensive income (loss) Three and nine months ended September 30, 2011 and 2010

	Note	Three months ended		Nine months ended	
		Sept 30, 2011	Sept 30, 2010	Sept 30, 2011	Sept 30, 2010
Revenue					
Products Sales	3 (d)	\$ 1,396,170	\$ 924,557	\$ 3,994,062	\$ 2,497,575
Other income		3,020	3,218	11,127	10,433
Total revenue		1,399,190	927,775	4,005,189	2,508,008
Operating Expenses					
Product Sales Expense	4	673,226	455,274	1,982,824	1,364,753
Corporate Expense	5	442,023	477,775	1,403,839	1,462,729
Total operating expenses		1,115,249	933,049	3,386,663	2,827,482
Profit (loss) from Continuing operations		\$ 283,941	\$ (5,274)	\$ 618,526	\$ (319,474)
Discontinued Operations					
Loss (income) from discontinued operations	3 (n), 8	(17,146)	223,645	(31,242)	674,683
Net income (loss) and comprehensive income (loss)		\$ 301,087	\$ (228,919)	\$ 649,768	\$ (994,157)
Net income (loss) and comprehensive income (loss) per share					
	3 (p), 12(e)				
Continuing operations basic		\$ 0.006	\$ (0.000)	\$ 0.013	\$ (0.007)
continuing operations diluted		0.006	(0.000)	0.012	-
Discontinued operations basic		0.000	(0.005)	0.001	(0.014)
Discontinued operations diluted		0.000	-	0.001	-
Net income (loss) and comprehensive income (loss) per share basic		0.006	(0.005)	0.013	(0.020)
Net income (loss) and comprehensive income (loss) per share diluted		\$ 0.006	\$ -	\$ 0.013	\$ -
Weighted average shares outstanding		48,746,914	48,637,094	48,746,476	48,529,064

CRH MEDICAL CORPORATION

Consolidated Statement of Changes in Equity Nine months ended September 30, 2011, year ended December 31, 2010,
 nine months ended September 30, 2010 and December 31, 2009

	Note	Number of Shares	Share Capital	Contributed surplus	Accumulated and other comprehensive income	Deficit	Total
Balance as at December 31, 2009		48,405,967	\$ 16,873,657	\$ 4,093,824	\$ (66,772)	\$ (17,811,227)	\$ 3,089,482
Total comprehensive loss for the period:		-	-	-	-	(994,157)	(994,157)
Transactions with owners, recorded directly in equity:							
Share-based compensation for stock option plan				514,970			514,970
Common shares purchased on exercise of stock options		200,250	144,417	(58,558)			85,859
Common share purchase on warrants exercised		139,573	162,386	(25,810)			136,576
Balance as at September 30, 2010		48,745,790	\$ 17,180,460	\$ 4,524,426	\$ (66,772)	\$ (18,805,384)	\$ 2,832,730
Total comprehensive loss for the period:		-	-	-	-	(622,660)	(622,660)
Transactions with owners, recorded directly in equity:							
Share-based compensation for stock option plan		-	-	127,531	-	-	127,531
Common shares purchased on exercise of stock options		-	-	-			-
Common share purchase on warrants exercised		-	-	-			-
Balance as at December 31, 2010		48,745,790	\$ 17,180,460	\$ 4,651,957	\$ (66,772)	\$ (19,428,044)	\$ 2,337,601
Total comprehensive income for the period:						649,768	649,768
Transactions with owners, recorded directly in equity:							
Share-based compensation for stock option plan		-	-	355,666	-	-	355,666
Common shares purchased on exercise of stock options		1,124	1,014	(351)			663
Balance as at September 30, 2011		48,746,914	\$ 17,181,474	\$ 5,007,272	\$ (66,772)	\$ (18,778,276)	\$ 3,343,698

CRH MEDICAL CORPORATION

Consolidated Statement of Cash Flows Three and nine months ended September 30, 2011 and 2010

		<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Note</u>	<u>Sept 30,</u>	<u>Sept 30,</u>	<u>Sept 30,</u>	<u>Sept 30,</u>
		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Operating activities:					
Net Income (loss) from continuing operations		\$ 283,941	\$ (5,274)	\$ 618,526	\$ (319,474)
Adjustments for:					
Depreciation of property, equipment and intangibles		18,205	16,979	62,611	49,134
Share based compensation		106,644	151,012	355,666	453,199
Operating activities before changes in operating assets and liabilities		408,790	162,717	1,036,803	182,859
Change in trade and other receivables		79,489	4,205	(8,368)	(168,918)
Change in prepaid expenses and deposits		(26,359)	(20,052)	13,743	(37,913)
Change in inventories		(83,628)	(97,852)	(74,740)	(172,516)
Change in trade and other payables		(133,913)	9,760	(28,523)	(51,041)
Change in other financial liabilities		237,573	44,909	242,681	9,924
Change in employee benefits		31,869	28,648	(24,631)	144,162
Cash provided (used) in operating activities of continuing operations		513,821	132,335	1,156,966	(93,443)
Cash provided (used) in operating activities of discontinued operations		(6,427)	(112,315)	(195,196)	(67,099)
Cash provided (used) in operating activities		507,393	20,020	961,770	(160,542)
Financing activities					
Proceeds from exercise of agent warrants		-	-	-	136,576
Proceeds from exercise of stock options		-	85,713	663	85,859
Cash from financing activities		-	85,713	663	222,435
Investing activities					
Acquisition of property and equipment		-	-	(4,182)	-
Acquisition of intellectual property		-	-	-	(12,195)
Cash flows (used in) investing activities		-	-	(4,182)	(12,195)
Net Change in Cash		507,393	105,733	958,250	49,698
Cash beginning of period		2,243,318	1,616,477	1,792,461	1,672,512
Cash end of period		\$ 2,750,711	\$ 1,722,210	\$ 2,750,711	\$ 1,722,210