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Ceapro Awarded Research Grant from Alberta Innovates Bio Solutions to Develop Novel Formulations for Energy Drink

- Grant supports collaboration with University of Alberta to advance Ceapro's proprietary high-purity dry form Beta Glucan into an active ingredient in functional food -

EDMONTON, ALBERTA -- (Marketwired) -- 12/04/14 -- ***Ceapro Inc. (TSX VENTURE:CZO) ("Ceapro" or the "Company")***, a growth-stage biotechnology company focused on the development and commercialization of active ingredients for health care and cosmetic industries, announced today that it has been awarded a non-reimbursable grant of $198,000 by Alberta Innovates Bio Solutions (AI Bio) to develop the Company's proprietary Beta Glucan formulation in combination with certain bioactives, for use in an energy drink. The AI Bio grant will support a collaborative research project being conducted with Professor Feral Temelli, Ph.D., at the Department of Agricultural, Food & Nutritional Science at the University of Alberta.

The study will focus on the development of a prototype functional food ingredient for an energy drink formulation, utilizing a novel active ingredient of dry Beta Glucan impregnated (iBG) with the well known bioactive CoQ10 in a complex composition. The study's high-purity dry form of Beta Glucan is produced utilizing the Ceapro's novel processing technology called ***P***ressurized ***G***as e***X***panded Liquid Technology (PGX), co-invented by Dr. Feral Temelli and Bernhard Seifried, Ph.D., Senior Research Scientist at the Company.

Gilles Gagnon, M.Sc., MBA, President and CEO of Ceapro, commented, "The Beta Glucan/CoQ10 project with the University of Alberta is perfectly aligned with our expressed vision to strategically transition Ceapro into other sectors including functional foods and nutraceuticals. We are able to make this advantageous sector move primarily as result of the scale-up of our award-winning unique drying and purification PGX technology. This first step towards transition to other sectors is an excellent example of translational research from lab to market."

Mr. Gagnon added, "PGX has several key advantages over conventional drying and purification technologies and is clearly making an impression in the biotechnology space. We are honored to have received recognition from AI Bio in the form of this non-reimbursable research grant. The AI Bio grant coupled with the recent BioAlberta Scientific Achievement & Innovation Award bestowed upon Dr. Seifried for PGX continues to validate the significant impact of our proprietary technology."

Ceapro anticipates that the Beta Glucan/CoQ10 study with University of Alberta will

commence in early 2015 and will require at least twelve months for completion. The study builds on preliminary results obtained in a 2014 study conducted by Ceapro in collaboration with Massachusetts Institute of Technology (MIT) to better understand interactions of bioactives with the polymer and to develop a formulation for a novel functional food ingredient. The MIT study showed that CoQ10 can be successfully impregnated at submicron level onto Ceapro's highly porous Beta Glucan powder. This suggests that its bioavailability may be significantly improved, thus opening up potential applications for nutraceuticals. This novel iBG formulation is expected to be the first potential commercial application of iBG in a functional food.

Steve Price, Executive Director of Bioindustrial Innovation and Interim CEO of AI Bio, noted, "Ceapro's PGX technology and novel iBG formulation are potential industry game-changers that increase opportunities for food innovation in Alberta."

AI Bio awarded grants to food innovation projects that showed a "clear pathway to commercialization" and which demonstrated short and/or long-term benefits to Alberta's agri-food sector and its contribution to the provincial economy.

Dr. Cornelia Kreplin, Executive Director of Sustainable Production & Food Innovation at AI Bio, added she was pleased to extend this research grant and collaboration opportunity to Ceapro. "Ceapro is adding value to an Alberta agricultural commodity through application of its unique technology and also working to create a healthier beverage."

About P ressurized G as e X panded Liquid Technology (PGX)

PGX is a unique and disruptive technology with several key advantages over conventional drying and purification technologies that can be used to process biopolymers into high-value nano-sized polymer structures and novel bio-nanocomposites. PGX is ideally suited for processing challenging high-molecular weight, water-soluble bio-polymers and has the ability to make ultra-light, highly porous polymer structures on a continuous basis, which is not possible using today's conventional technologies. PGX was co-invented by Ceapro's senior research scientist Dr. Bernhard Seifried and University of Alberta professor, Dr. Feral Temelli.

About Alberta Innovates Bio Solutions

Alberta Innovates Bio Solutions is a board-governed research agency funded by the Government of Alberta. AI Bio invests in science and innovation to grow prosperity in Alberta's agriculture, food and forest sectors through new technologies, products, services or industry practices. It routinely seeks R&D partners in the areas of sustainable production, bioindustrial innovation, food innovation, ecosystem services and prion diseases.

About Ceapro Inc.

Ceapro Inc. is a Canadian biotechnology company involved in the development of proprietary extraction technology and the application of this technology to the production of extracts and "active ingredients" from oats and other renewable plant resources. Ceapro adds further value to its extracts by supporting their use in cosmeceutical, nutraceutical, and therapeutics products for humans and animals. The Company has a broad range of expertise in natural product chemistry, microbiology, biochemistry, immunology and process

engineering. These skills merge in the fields of active ingredients, biopharmaceuticals and drug-delivery solutions. For more information on Ceapro, please visit the Company's website at www.ceapro.com.

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Source: Ceapro Inc.

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