

August 5, 2010



Ceapro Reports 2010 Second Quarter Financial and Operating Results

EDMONTON, ALBERTA -- (MARKET WIRE) -- 08/05/10 -- Ceapro Inc. (TSX VENTURE: CZO) today reported financial results and operating results as at and for the three-month and six-month periods ended June 30, 2010.

Second Quarter highlights

- Completion of a license and distribution agreement with Oat Cosmetics for the sale of Ceapro's "All Natural" active ingredients in the United Kingdom.
- Announcement of a Research Collaboration with the National Research Council of Canada (NRC). Research studies to be conducted at the NRC Institute for Nutrisciences and Health (INH) located in Charlottetown, Prince Edward Island. Press conference held with Federal Ministers of Science and Technology and Fisheries and Oceans, Honourable Gary Goodyear and Gail Shea respectively. Also in attendance was the Provincial (PEI) Minister of Environment, Energy and Forestry, the Honourable George Webster.
- Initiation of development of new formulations and testing for Ceapro's second generation products with all natural preservative.

Subsequent to Quarter-End

- Ceapro reduces debt \$270,500 as royalty holders elect to exchange royalty debt for equity.
- Ceapro receives approval from TSX-V to issue 271,752 common shares to pay interest on convertible debentures due at June 30, 2010
- Government of Alberta provides Ceapro with a grant of \$124,000 to conduct a two year research project using University of Alberta technology to optimize extraction of Ceapro's active ingredients.

Financial results as at and for the three-month periods ended June 30, 2010

- Sales were \$1,018,000 for the three-month period ended June 2010 compared to \$1,212,000 for the same period in 2009. This 16% decrease is primarily due to the absence of sales to the animal health sector and a lower US dollar exchange rate versus the Canadian dollar. Sales of active ingredients to the personal care industry increased in volume by 6% following increased shipments of newly launched lupin peptides to be used in a new hair care line.
- Research and Development investments amounted to \$143,000 for the three-month period ended June 30, 2010. This is similar to the R&D Investments for the same period in 2009. It is expected that R&D investments will

increase during the second half of 2010 due to the initiation of three new projects that will allow Ceapro to get new data to further support health benefits claims for its products.

- General and Administration expenses amounted to \$323,000 for the three-month period ended June 30, 2010 compared to \$417,000 for the same period in 2009. This 23% decrease reflects the Company's effort to reduce expenditures and focus on core areas of the business.
- Income from Operations was \$52,000 for the three-month period ended June 30, 2010 compared to \$216,000 for the same period in 2009. The absence of sales to the animal health sector is primarily responsible for this decrease.
- Net Income amounted to \$237,000 for the three-month period ending June 30, 2010 compared to \$466,000 for the same period in 2009. Net income includes the recovery of \$315,000 for legal fees as at June 30, 2010. Legal fee recoveries of \$426,000 were also recorded as a recovery in the second quarter of 2009.

"Results obtained so far in 2010 are in line with our expectations during this period of economic recovery in the personal care industry. While we are pleased with these results, we are excited that Ceapro is now in a position to invest in Research and Development in partnership with both Federal and Provincial Governments and other research institutions. This recognition will allow Ceapro to develop new products and rejuvenate some existing ones with new data to support Ceapro's marketing and sales strategy." stated Gilles Gagnon, Acting President and CEO.

The complete audited annual report and financial statements are available for review on SEDAR at <http://sedar.com/Ceapro> and on the Company's website at www.ceapro.com.

About Ceapro Inc.

Ceapro Inc. is a Canadian growth-stage biotechnology company. Primary business activities relate to the development and commercialization of active ingredients for personal care and cosmetic industries using proprietary technology and natural, renewable resources.

CEAPRO INC.

Consolidated Statements of Net Income, Comprehensive Income and Deficit
Unaudited

	Six Months Ended June 30		Quarters Ended June 30	
	2010	2009	2010	2009

Revenue				
Sales	\$ 2,173,343	\$ 2,713,927	\$ 1,018,481	\$ 1,212,018
Cost of goods sold	1,250,046	1,097,814	557,928	446,775

Gross margin	923,297	1,616,113	460,553	765,243

Expenses				
General and administration	613,602	807,516	322,929	417,194

Royalties	25,956	214,458	12,762	76,431
Sales and marketing	39,116	85,063	17,947	24,761
Amortization	16,891	20,809	8,363	11,511
Write off of property plant and equipment	10,490	-	10,490	-
Interest on convertible debentures	21,096	-	11,071	-
Accretion on convertible debentures	15,000	-	7,500	-
Interest on long- term debt	35,831	38,794	17,687	18,880
	777,982	1,166,640	408,749	548,777
Income from operations	145,315	449,473	51,804	216,466
Other income (expenses)				
Research and product development	(282,098)	(281,195)	(143,970)	(145,624)
Other income (expenses)	10,376	(25,870)	14,591	(31,210)
	(271,722)	(307,065)	(129,379)	(176,834)
Comprehensive income (loss) before SGGF legal fees recovery (expense) and income taxes	(126,407)	142,408	(77,575)	39,632
SGGF legal fees recovery	314,983	426,300	314,983	426,300
Income taxes				
Current	59,000	241,000	37,000	184,000
Reduction as a result of applying non-capital losses carried forward against the current period's taxable income	(59,000)	(241,000)	(37,000)	(184,000)
NET INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD	188,576	568,708	237,408	465,932
Deficit, beginning of period	(7,390,890)	(7,321,541)	(7,439,722)	(7,218,765)

Deficit, end of period\$ (7,202,314)\$ (6,752,833)\$ (7,202,314)\$ (6,752,833)

Net income per share:

Basic \$ 0.00 \$ 0.01 \$ 0.00 \$ 0.01

Diluted \$ 0.00 \$ 0.01 \$ 0.00 \$ 0.01

See accompanying notes

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