

February 10, 2012



Ceapro Defends Additional Claim from AVAC Ltd.

EDMONTON, ALBERTA -- (MARKET WIRE) -- 02/10/12 -- Ceapro Inc. (TSX VENTURE: CZO) ("Ceapro" or the "Company") announced today it and its wholly owned subsidiary, Ceapro Technology Inc. ("CTI"), were served with a Statement of Claim filed in the Court of Queens Bench of Alberta by AVAC Ltd. ("AVAC"). Pursuant to the Statement of Claim, AVAC alleges damages of \$1,470,000. The amounts claimed relate to royalty agreements that were entered into by CTI and AVAC in 2004 and 2006 (collectively the "CTI Agreements"). Pursuant to the CTI Agreements, AVAC provided project funding in aggregate amount of \$735,000 for product innovation development in the areas of pre-diabetes and Type II diabetes screening and detection, and diabetes therapy efficacy monitoring (collectively the "Diabetes Projects") and obligated CTI to pay a royalty calculated with reference to sales generated from products developed out of the Diabetes Projects. CTI has complied with all obligations required of it pursuant to the CTI Agreements including reporting to AVAC that the Diabetes Projects are not yet commercial, that the Diabetes Projects revenues have been nil, and that accordingly no royalties are due. Ceapro is neither a party to, nor a guarantor of CTI with to, the CTI Agreements.

Consequently, Ceapro and CTI will be filing a Statement of Defence which denies all allegations and will be taking all other steps required of it to vigorously defend AVAC's allegations.

Ceapro previously announced on September 13, 2011 the commencement by AVAC of legal proceedings wherein AVAC alleged damages of \$724,500. The prior legal proceedings were with respect to agreements entered into between AVAC, Ceapro and another wholly owned subsidiary for product innovation development in the area of veterinary therapeutics and active ingredients. See Ceapro's News Release dated September 13, 2011 and related Material Change Report, both of which may be viewed on www.sedar.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. To learn more about Ceapro, visit www.ceapro.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contacts:
Ceapro Inc.

Branko Jankovic
Chief Financial Officer
(Edmonton): (780) 917-8376
bjankovic@ceapro.com
www.ceapro.com

Source: Ceapro Inc.