

June 14, 2011



Ceapro Announces New Collaboration and Funding Agreement Targeting Novel High Value Active Ingredients

EDMONTON, ALBERTA -- (MARKET WIRE) -- 06/14/11 -- Ceapro Inc. (TSX VENTURE: CZO) today announced that it has entered into a Material Transfer Agreement (MTA) with the National Research Council of Canada (NRC) to evaluate a new series of potentially high-value active ingredients from a variety of rosehips uniquely native to Prince Edward Island. Previous extensive collaborative work by the University of Prince Edward Island, NRC, and Agriculture and Agri-Food Canada found that a specific variety contained multiple compounds capable of providing therapeutic benefits. Synergistic studies combining active ingredients from the rosehips and Ceapro's active ingredients have already begun at the NRC and preliminary results are expected this summer. As part of the MTA, Ceapro will have the option to negotiate a license to commercialize some or all elements of the NRC's intellectual property. Ceapro also anticipates that it will negotiate a further Collaborative and Research Agreement with the NRC to undertake some work under the collaboration while other work will be conducted by Ceapro employees.

"This project exemplifies everything we would like to see in a new commercialization project," said David Fielder, Chief Scientific Officer at Ceapro. "The variety is unique and this provides a degree of protection from competitors. The rosehip has multiple potential therapeutic molecules and I will be very excited to see the results of the synergistic studies. We've already seen a potentiation of the efficacy of a well known prescribed drug up to four times when combined with one of our active ingredients. We believe this project could lead to the development of multiple new products for Ceapro in the future," added Mr. Fielder.

As part of this collaboration, Innovation PEI has committed to providing non repayable grant funding of up to \$100,000 through its Development and Commercialization Fund. "We are grateful to Innovation PEI for the financial support provided to help undertake this collaboration," said Branko Jankovic, Chief Financial Officer at Ceapro. "Product commercialization can be a very difficult process requiring a lot of time, financial commitments, and a large variety of scientific technical skills. A successful collaboration will be beneficial to Ceapro and the NRC as well as to the agricultural producers and the bioscience community in Prince Edward Island," added Mr. Jankovic.

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. The commercial line of natural active ingredients include beta glucan, avenanthamides (colloidal

oat extract), oat powder, oat oil, oat peptides, and lupin peptides.

To learn more about Ceapro, visit www.ceapro.com

For more information about the organizations mentioned above, visit the University of Prince Edward Island (www.upei.ca/research), the National Research Council Canada (www.nrc-cnrc.gc.ca), Agriculture and Agri-Food Canada (www.agr.gc.ca), and Innovation PEI (www.innovationpei.com).

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Source: Ceapro Inc.