

August 7, 2012



Ceapro Reports Second Quarter 2012 Financial Results

EDMONTON, ALBERTA -- (Marketwire) -- 08/07/12 -- Ceapro Inc. (TSX VENTURE: CZO) ("Ceapro" or the Company") today announced its financial results for the three-month and six-month periods ended June 30, 2012.

Second quarter 2012 corporate highlights

- Signing of a worldwide licensing agreement with Agriculture and Agri-Food Canada for a technology associated with Ceapro's flagship product, avenanthramides.
- Presentation of the latest results obtained from one of Ceapro's research programs using a supercritical drying technology.
- Re-election of Directors and appointment of President & Chief Executive Officer

Subsequent to quarter-end

- Successful production at the pilot scale level of the first of Ceapro's dry powder products.

FINANCIAL RESULTS FOR THE SECOND QUARTER AND THE FIRST SIX MONTHS ENDED JUNE 30, 2012

Revenues were \$1,490,000 for the three-month period ended June 30, 2012, as compared to \$1,185,000 for the same period in 2011. For the first six months, revenues were \$2,680,000 in 2012 compared to \$2,719,000 for the same period in 2011. As of June 30, 2012 compared to June 30, 2011 Sales in Europe have decreased by \$311,000 partially offset by an increase in sales of \$218,000 in the USA.

Research and development Investments were \$267,000 and \$430,000 for the three-month period and six-month period ended June 30, 2012 as compared to \$229,000 and \$416,000 for the same periods in 2011. These respective slight increases of 16% (\$38,000) and 3% (\$14,000) reflect our continued strong commitment to expand our pipeline and position Ceapro as a highly recognized innovative Company.

General and Administration expenses were \$490,000 and \$881,000 for the three-month period and six-month period ended June 30, 2012 compared to \$365,000 and \$669,000 for the same periods in 2011. These respective increases of 34% and 32% in 2012 as compared to 2011 are the result of increased salaries and benefits, consulting engineering expenses for feasibility studies to review new manufacturing options, hiring of an Investor

Relations firm and legal costs incurred due to a litigation with AVAC Ltd..

Sales and Marketing expenses were \$55,000 and \$126,000 for the three-month and Six-month period ended June 30, 2012 compared to \$34,000 and \$64,000 for the same periods in 2011. These increases reflect the planning for implementation of new marketing strategies for Ceapro. It is expected that these expenses will further increase until year end.

Net income/loss. For the three-month period ended June 30, 2012, net loss was \$161,000 versus a net profit of \$103,000 for the same period in 2011. For the first six-months of 2012, Net loss amounted to \$164,000 compared to a net profit of \$458,000 for the same period in 2011. These losses are attributed to a decrease in gross margin due to the mix of products sold, increased general and administration and sales and marketing expenses..

"While we have significantly advanced our scientific portfolio over the last two years, we now expect to expand our business development and marketing activities to increase sales in targeted territories" said Gilles Gagnon, President and CEO. "On the manufacturing side, given new opportunities that are arising, we expect to make a decision on the type and location of a new manufacturing facility by the end of 2012. Our operating results in 2012 reflect the significant efforts and resources we have dedicated to this important project. Additional capital investments will be required to efficiently manufacture our current and anticipated new portfolio. We are very confident that significant rewards will be derived from these investments" he added.

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

CEAPRO INC.

Consolidated Statements of Net Income (loss) and Comprehensive Income (loss)
Unaudited

	Quarters Ended		Six Months Ended	
	2012	June 30, 2011	2012	June 30, 2011
	\$	\$	\$	\$
		(restated, note 18)		(restated, note 18)
Revenue	1,490,131	1,185,489	2,679,644	2,719,083
Cost of goods sold	817,217	404,819	1,337,911	1,017,067
Gross margin	672,914	780,670	1,341,733	1,702,016
Research and product development	267,142	228,399	429,614	415,674
General and administration	489,605	364,745	881,493	669,256
Sales and marketing	55,008	34,082	126,434	64,110

Finance costs (note 12)	25,553	48,830	51,550	95,336

Income from operations	(164,394)	104,614	(147,358)	457,640
Other operating (income) loss (note 11)	(3,848)	1,034	16,704	24,097

Net income (loss) and comprehensive income (loss) for the period	(160,546)	103,580	(164,062)	433,543

Net income (loss) per common share:				

Basic	(0.00)	0.00	(0.00)	0.01

Diluted	(0.00)	0.00	(0.00)	0.01

Weighted average number of common shares outstanding	60,278,948	56,578,948	60,278,948	56,543,790

Neither 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.

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