

FOR IMMEDIATE RELEASE

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PRESS RELEASE

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ASE Symbol: FYT

The Alberta Stock Exchange has neither approved nor disapproved the information contained herein.

Fytokem opens integrated head office and technical centre

Fytokem Products Inc. today opened its new headquarters in Saskatoon, Canada. The premises, located at the Innovation Place research park, co-locate the company's management, marketing and administrative operations with its technology development laboratories. These new laboratories include facilities for testing and trial manufacture of new products. Fytokem develops, manufactures and sells functional ingredients obtained from Canadian plants for use in international cosmetic and therapeutic markets.

The premises house seven current staff and have capacity for the nine more staff expected to be hired by mid-1999. The new technical centre comprises a phytochemical analysis laboratory and a product development and test production laboratory. The company carries out its full-scale manufacturing elsewhere in Saskatchewan, through contracts.

According to Fytokem President John Schaw, "Closer proximity between our marketing and technical teams will allow faster movement of new products from laboratory to marketplace. In addition, the laboratories will be able to provide more and faster product support functions." Until today, the company had been occupying off-site rental laboratory space.

"We chose Innovation Place for Fytokem's headquarters because the research park is an ideal environment for our type of biochemical and phyto-technical business," said Schaw.

Founded in 1994, Fytokem became a publicly-traded company in 1997. Its first major product line – a series of anti-irritant extracts from Canadian willowherb plants – was launched into the American market last autumn. A second product line is scheduled for commercial introduction in March of this year, and a third is being readied for release later in the spring.