

News Release

FOR IMMEDIATE RELEASE:

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Fytokem Products Inc.

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

Fytokem research project receives ADF funding

Saskatoon-Sutherland MLA Mark Koenker today announced on behalf of Agriculture and Food Minister Eric Upshall that Fytokem Products Inc. of Saskatoon has received research funding of \$61,670 from the Saskatchewan Agriculture Development Fund (ADF).

An agricultural biotechnology company founded in 1994, Fytokem uses northern plant extracts in the production of functional ingredients for use in cosmetic, personal care, therapeutic and nutraceutical products.

The new research project will assess the commercial feasibility of about thirty Saskatchewan plants destined for manufacturing uses.

"This project demonstrates the opportunities for continued diversification of Saskatchewan's agriculture and food industry into value-added products. The sky is the limit in terms of what can be done with these products," Koenker said. "The use of Saskatchewan's native plants, medicinal plants, special crops, even prairie weeds, for the manufacture of bio-products means new opportunities for increased economic activity."

John Schaw, Fytokem's President and Chief Executive Officer, said the funding will allow his company's research team to obtain and analyze information which will benefit other companies and producer organizations as well as Fytokem itself. "We see our project role as that of a research provider for the whole industry."

Dr. Warren Steck, Fytokem's Vice-President (Technology), noted that "Value-added processing requires up-front information about supply, yields and costs. Plant toxicity needs also to be assessed. This data should all be assembled before commercial production begins." The project will also search the patent literature to ensure that new manufactured products really are novel and protectable as such.