



News Release

For Immediate Release

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FYTOKEM PRODUCTS INC. REPORTS Q1 2000 RESULTS

SASKATOON, Saskatchewan – Fytokem Products today reported its financial results for the first quarter ended March 31, 2000.

Product sales rose sharply to \$95,093 in the first quarter of 2000 as compared with \$18,945 for the same period in 1999. The increase is due primarily to higher sales of Canadian Willowherb™.

Total revenues, from product sales and research funding, increased to \$149,785 from \$47,473 last year. After expenses, the company recorded a net loss of \$171,262 or \$0.02 cents a share, compared with a net loss of \$185,357, or \$0.02 per share, last year.

Q1 Highlights:

- Product sales increased more than 400% as new accounts were opened and products launched
- Announced a private placement which closed subsequent to quarter end, raising nearly \$1.1 million
- Demonstrated superior effectiveness of Tyrostat™ skin brightener in clinical trials
- Milestone sale of Canadian Willowherb to an industry leader for use in a new line of consumer products
- Commenced development of a molecular isolations program to assist in the identification of exciting new molecules
- Began discussions with a world leader in the development of nutraceuticals.

“The significant sales increase of the first quarter demonstrates the increasing acceptance of our products into the personal care industry,” said Greg Dutka, Interim President of Fytokem. “While it takes some time for new products to be adopted in our target markets, the potential is tremendous, and it is clear that all our efforts to date are beginning to pay off.”

Subsequent to quarter end, Fytokem made its first sales of Fytosorb™-20 skin protectant to an industry leader for use in a sun care product line.

Responding to important consumer trends, Fytokem plans to launch several new products in the coming months, including the first line of oils for the personal care industry from natural (non-genetically modified) plant sources.

“With the funds from our recent financing, a focused senior management team and a growing reputation for quality products among our customers, Fytokem is poised to become a major supplier of natural ingredients to the personal care, nutraceutical and pharmaceutical markets,” added Mr. Dutka.

About Fytokem

Fytokem Products Inc. develops, produces and markets high-value extracts and refined natural chemicals from plants found in northern Canada for use as ingredients in personal care, nutraceutical/therapeutic and bio-industrial products. The company’s shares are listed on the Canadian Venture Exchange under the symbol FYT.

The Canadian Venture Exchange has neither approved nor disapproved the information contained herein.