



FOR IMMEDIATE RELEASE

TSX Venture Exchange: FYT

FYTOKEM ANNOUNCES RECORD FIRST QUARTER FINANCIAL RESULTS

Saskatoon, Saskatchewan, May 30, 2006 - Fytokem Products Inc. (the Company), today announced its financial results for the quarter ended March 31, 2006.

Fytokem recorded net income of about \$26,000 on near record quarterly sales of \$282,000. This is the first quarter that the Company has realized positive net income solely from revenue generated through product sales. The strong growth trend established over the past years continued, with sales growing 26% when compared to the same quarter in 2005. The Company's marketing partner, Atrium Biotechnologies Inc. of Quebec, continues to expand the market for products containing the Company's proven actives.

Product and process improvements also increased gross margin during the quarter, to a level more consistent with previous years. The combination of sales growth and strong margins collectively produced these milestone results.

The Company continues to invest in new product and market development, and looks forward to continued progress in these areas.

"I am very pleased to see this improved financial performance. The improvements and efficiencies made to our processing and quality control systems are yielding greater profitability on growing sales" said Art Hesje, President and CEO of Fytokem. "2006 promises to be an exciting year."

About Fytokem Products Inc.

Fytokem Products Inc. develops and delivers proven natural ingredients to leading formulators in the personal care, nutraceutical and pharmaceutical industries. The Company has been issued patents for technology related to two of its products and has other patent applications pending.

Fytokem has two product lines currently offered in the market. Canadian Willowherb™ is a multi-function plant extract with strong efficacies as an anti-irritant, and anti-oxidant that also has application as an acne treatment. Tyrostat™ is a multi-efficacy plant extract sold primarily for its use as a tyrosinase inhibitor which provides skin-lightening efficacy.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. Statements contained in this news release, which are not historical facts, are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Fytokem disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Fytokem Products Inc.

Statements of Income (Loss) and Deficit

(Unaudited)

	Three Months Ended March 31,	
	2006	2005
REVENUE		
Sales	\$ 281,719	\$ 223,359
Cost of sales	89,643	100,076
Gross margin	192,076	123,283
Other revenue	1	5
	<u>192,077</u>	<u>123,288</u>
EXPENSES		
Product development	34,258	38,741
Marketing	21,144	19,837
Finance and administration	70,870	76,717
Depreciation	6,231	9,111
Interest on long term debt	9,756	12,747
Dividend interest on Series A Preferred Shares	7,788	5,948
Accretion on convertible demand loan	8,690	-
Stock compensation expense	7,546	10,222
	<u>166,283</u>	<u>173,323</u>
NET INCOME (LOSS)	25,794	(50,035)
DEFICIT, BEGINNING OF PERIOD	(4,965,438)	(4,635,593)
DEFICIT, END OF PERIOD	<u><u>\$(4,939,644)</u></u>	<u><u>\$(4,685,628)</u></u>
BASIC AND DILUTED (LOSS) INCOME PER SHARE	<u><u>\$ 0.001</u></u>	<u><u>\$ (0.003)</u></u>

Fytokem Products Inc.

Balance Sheets

March 31, 2006 and December 31, 2005

(Unaudited)

	March 31, 2006	December 31, 2005
CURRENT ASSETS		
Cash	\$ 15,175	\$ 35,860
Accounts receivable	107,744	1,675
Inventories	105,737	192,345
Prepaid expenses	820	710
	<u>229,476</u>	<u>230,590</u>
DEFERRED FINANCE CHARGES	3,709	4,344
CAPITAL ASSETS	52,249	57,238
	<u>\$ 285,434</u>	<u>\$ 292,172</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 324,053	\$ 384,760
Accrued liability relating to Series A Preferred Shares	91,051	83,263
Current portion of long term debt	421,825	432,674
	<u>836,929</u>	<u>900,697</u>
LONG TERM DEBT	322,661	313,970
	<u>1,159,590</u>	<u>1,214,667</u>
CAPITAL DEFICIENCY		
Common Shares	3,895,499	3,866,999
Equity portion of convertible demand loan	56,683	56,683
Contributed surplus	113,306	119,261
Deficit	(4,939,644)	(4,965,438)
	<u>(874,156)</u>	<u>(922,495)</u>
	<u>\$ 285,434</u>	<u>\$ 292,172</u>

Fytokem Products Inc.

Statements of Cash Flows

(Unaudited)

	Three Months Ended March 31,	
	2006	2005
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (loss) income	\$ 25,794	\$ (50,035)
Items not affecting cash		
Depreciation	6,231	9,111
Non-cash interest expense	634	375
Non-cash accretion expense	8,690	-
Non-cash stock compensation expense	7,546	10,222
	<u>48,895</u>	<u>(30,327)</u>
Changes in non-cash working capital		
Accounts receivable	(106,069)	53,989
Inventories	86,607	4,642
Prepaid expenses	(109)	(15,726)
Accounts payable and accrued liabilities	(45,131)	41,883
Accrued liability relating to Series A Preferred Shares	(7,788)	5,948
	<u>(23,595)</u>	<u>60,409</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of equipment	<u>(1,242)</u>	<u>-</u>
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	15,000	-
Costs of share issuance	-	-
Repayment of long term debt	(10,848)	(740)
	<u>4,152</u>	<u>(740)</u>
NET (DECREASE) INCREASE IN CASH DURING THE PERIOD	(20,685)	59,669
CASH POSITION, BEGINNING OF PERIOD	35,860	49,670
CASH POSITION, END OF PERIOD	<u>\$ 15,175</u>	<u>\$ 109,339</u>
REPRESENTED BY:		
Cash	\$ 15,132	\$ 109,297
Short-term investments	43	42
	<u>\$ 15,175</u>	<u>\$ 109,339</u>
SUPPLEMENTAL INFORMATION		
Cash interest paid	<u>\$ 9,122</u>	<u>\$ 12,373</u>