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## **CAN PRO INGREDIENTS COMMENCES NEW BIOPRODUCTS BUSINESS**

For Immediate Release: April 24, 2007

**Arborfield and Saskatoon, Saskatchewan, Canada** - Can Pro Ingredients Ltd. ("Can Pro" or the "Company") announced today that it has commenced operations following a series of transactions as outlined below.

The Company acquired the business assets and operations of Arborfield Dehy Ltd. ("ADL"), licensed proprietary canola processing technology from MCN BioProducts Inc. ("MCN") and arranged equity and debt financing from a syndicate of investors including Victoria Park Capital Inc., Golden Opportunities Fund Inc., GrowthWorks Capital Ltd., Farm Credit Canada and Business Development Bank of Canada to transform ADL's existing alfalfa processing plant into an agricultural processing facility that will manufacture an array of canola and alfalfa based products. The aggregate value of the acquisition, licensing and financing transactions was \$18.75 million.

Can Pro will use MCN's patented technology to manufacture canola protein concentrates, fiber and carbohydrate fractions for the feed industry. The Company will also manufacture feed grade canola oil which can be used in aquafeeds, animal feeds and biodiesel manufacture. Can Pro will continue to operate the dehydrated alfalfa business carried on by ADL for the past 36 years, but has the ability to combine canola fractions with alfalfa streams to provide new and differentiated product lines. The Company also has access to MCN's second generation of canola technology for feed and industrial products, which it plans to introduce after successful commissioning of the new plant.

Todd Lahti, President and CEO of Can Pro, called the new venture a "synergistic combination of existing infrastructure and new technology. The combined operations are larger, more diversified and more flexible than either alone. This is a new value added processing model that accesses multiple input crops, maximizes infrastructure utilization, injects proprietary technology and produces a diversified product line for international feed and industrial markets. This model, combined with unique local inputs, provides risk managed sustainable competitive advantage for our new company. If bio-refining is the wave of the future, this is an important step."

Dave Edwards, General Manager of Can Pro and former General Manager of ADL said, “We were seeking ways to diversify the operations and markets for our plant. We found a home grown canola technology, invented at the University of Saskatchewan and commercialized by MCN, to employ in our dense canola producing region. It was a natural fit.”

While it will take a year to construct the new plant and commence commercial production of the new canola protein concentrate, the product has already received significant attention from shrimp, trout, salmon and piglet feed manufacturers looking to replace fish meal in their formulas. Fish meal is an important component of feeds, but supply has not kept pace with rapidly growing demand in the aquaculture industry.

The Company has also attracted attention from biofuels manufacturers who have byproduct streams in need of further processing. The company’s ‘total seed utilization’ and ‘multiple input materials’ approach to canola and alfalfa provide a model for economic viability for the biofuels industry.

*Note: Certain of the statements in this press release are forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed by such forward-looking statements.*

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