

Ceapro Reports First Quarter 2010 Financial Results

EDMONTON, ALBERTA –May 10, 2010 – Ceapro Inc. (CZO –V) (“Ceapro” or the Company) today released financial and operating results for the first quarter ended March 31, 2010.

FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2010

- Total sales of \$1,155,000 compared to \$1,502,000 in 2009, a decrease of 23%. There were no sales to the cyclical veterinary sector during this quarter and there was a reduction in the average realized US/Canadian exchange rate from \$1.25 in 2009 to \$1.04 in 2010.
- Gross margin of \$463,000 versus a gross margin of \$852,000 in 2009, a decrease of 46% due to lower sales of veterinary products, lower realized US/Canadian exchange rates, and the sale of lower margin products.
- Income from operations of \$94,000 compared to \$233,000 in 2009
- Net loss amounted to \$49,000 or \$0.00 per share compared to a net income of \$103,000 or \$0.00 per share for 2009, This net loss of \$49,000 is after non cash expenses of \$7,500 for accretion on convertible debentures, \$22,000 for stock based compensation, and \$54,000 for amortization.
- General and administration and marketing expenses decreased by \$99,000 or 25% and \$39,000 or 65% respectively compared to 2009 as the Company reduced costs and applied strict cash control measures.

“Results obtained in the first quarter of 2010 are encouraging and lead us to believe that the tough economic times experienced in the personal care industry may be behind us. After taking into account the decrease in sales to the veterinary market and the sharply lower US/Canadian exchange rate, sales volumes to our core personal care sector actually increased from the strong 2009 first quarter., We are very pleased to have started year 2010 in such a strong manner said Gilles Gagnon, Acting President & CEO. “With the tremendous improvements achieved at our production facilities as well as with our technology, we are now in a position to deliver higher volumes of existing products while developing new ones both in house and through planned collaborations with state of the art facilities and world class scientists to develop new in-vitro and ex-vivo dermatological data. These studies will include investigating relevant genetic markers that are associated with inflammation skin diseases, dermal penetration of actives and protection of structural skin proteins.” he added.

The complete audited annual consolidated financial statements are available for review on SEDAR at <http://sedar.com/Ceapro> and on the Company’s website at www.ceapro.com .

About Ceapro Inc.

Ceapro Inc. is a Canadian growth-stage biotechnology company. Primary business activities relate to the development and commercialization of active ingredients for personal care and cosmetic industries using proprietary technology and natural, renewable resources. To learn more about Ceapro, visit www.ceapro.com.

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Financial Statements

CEAPRO INC.
Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss) and Deficit

Unaudited

Three Months and Quarter Ended March 31

	2010	2009
Revenue		
Sales	\$ 1,154,862	\$ 1,501,909
Cost of goods sold	692,118	650,409
Gross margin	462,744	851,500
Expenses		
General and administration	290,673	390,322
Royalties	13,194	138,027
Sales and marketing	21,169	60,300
Amortization	8,528	9,928
Interest on convertible debenture	10,000	-
Accretion on convertible debenture	7,500	-
Interest on long-term debt	18,144	19,914
	369,208	618,491
Income from operations	93,536	233,009
Other income (expenses)		
Research and product development	(138,128)	(135,572)
Other income (expenses)	(4,240)	5,339
	(142,368)	(130,233)
Comprehensive income(loss) before income taxes	(48,832)	102,776
Income Taxes		
Current	22,000	57,000
Reduction as a result of applying non-capital losses forward against the current period's taxable income	(22,000)	(57,000)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(48,832)	102,776
Deficit, beginning of period	(7,390,890)	(7,321,541)
Deficit, end of period	\$ (7,439,722)	\$ (7,218,765)
Net income (loss) per share:		
Basic	\$ (0.00)	\$ 0.00
Diluted	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding		
	51,710,063	47,050,063