**FORM 51-102F3**
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company:**

Ceapro Inc., #4174 Enterprise Square, 10230 Jasper Avenue, Edmonton, Alberta T5J 4P6

**Item 2 Date of Material Change:**

March 18, 2009

**Item 3 News Release:**

Disseminated by Marketwire on March 17, 2009.

**Item 4 Summary of Material Change:**

Ceapro Announces Discontinuance of Saskatchewan Government Growth Fund Case Appeals and Settlement of Court Costs.

**Item 5 Full Description of Material Change;**

See attached Press Release.

**Item 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

N/A

**Item 7 Omitted Information:**

No information has been omitted on the basis that it is confidential.

**Item 8 Executive Office:**

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**Item 9 Date of Report:**

March 18, 2009

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## Ceapro Announces Discontinuance of Saskatchewan Government Growth Fund Case Appeals and Settlement of Court Costs

**EDMONTON, ALBERTA –March 16, 2009 – Ceapro Inc. (CZO –V) ("Ceapro" or the Company")** announced today that it has entered into a Settlement Agreement with all Co-Defendants in the Saskatchewan Government Growth Fund Case. Pursuant to the Settlement Agreement, Ceapro consented to the dismissal of all appeal actions commenced by it.

The Company commenced legal proceedings in 1998 against Saskatchewan Government Growth Fund ("**SGGF**") and the other defendants claiming that they improperly gained control of Canamino Inc. ("**Canamino"**), a wholly owned subsidiary of the Company at that time. The claim alleged that Ceapro had suffered damages for its loss of investment in Canamino as well as other losses. On February 19, 2008, Mr. Justice Popescul, in response to a non-suit application made by the Co-Defendants, dismissed the claims against the Government of Saskatchewan, Janice MacKinnon, Can-Oat Milling Products Inc. and Gary K. Benson. On June 5, 2008, Mr. Justice Popescul dismissed the claims against the remaining Co-Defendants, SGGF and Saskatchewan Government Growth Fund Management Corporation.

With respect to court costs for the litigation, the Settlement Agreement provides that:

(a) Ceapro with make aggregate payments to the Co-Defendants of $705,000.00 by way of quarterly instalments commencing on March 31, 2009;

(b) the aggregate court cost payment with be secured by a second place security interest against all of the Corporation's present and after acquired personal property; and

(c) should Ceapro default, the Co-Defendants would be entitled to enforce their security with respect to the $705,000 and would be entitled to open up all cost matters with respect to the litigation and make arguments to the Saskatchewan Court of Queen's Bench that additional costs should be awarded.

"This chapter in Ceapro's history is now closed and this settlement gives business certainty to Ceapro and allows it to focus on its business without distraction" said Gilles Gagnon, Acting President & CEO. "We are now well positioned to build a solid and profitable company while creating shareholder value" he added.

**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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