

News from

Manitoba Cattle Enhancement Council
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For Immediate Release

Manitoba Cattle Enhancement Council to invest in Natural Prairie Beef

Winnipeg, October 9, 2007 – The Manitoba Cattle Enhancement Council announced today a letter of intent to invest in Natural Prairie Beef Inc., a Manitoba-based company that markets premium beef products. The letter calls for MCEC to invest up to \$1.2 million in Natural Prairie to help it increase its capacity to market Manitoba beef.

“This is the first step in a multi-phase process that will lead to developing new markets for Manitoba beef producers and moves us towards increased slaughter and processing capacity in this province,” says Neil Van Ryssel, vice-chair of the Manitoba Cattle Enhancement Council. “Our council is acting on its mandate to create programs to enhance the cattle industry in Manitoba by providing seed capital that will get Natural Prairie Beef moving toward its goal of building a vibrant export-driven premium beef enterprise.”

The investment will help Natural Prairie enlarge its operation by expanding its consortium of Manitoba beef producers, by increasing its capacity to sell more Manitoba beef and by developing a strong brand for its products. Natural Prairie was founded in 2004 and targets a branded niche market. Producers raise beef for this market with minimal antibiotics and without the use of any growth hormones. MCEC will receive shares in Natural Prairie Beef in exchange for its investment.

The investment will help Natural Prairie expand to serve premium niche markets such as the growing kosher market in the United States and Canada. At the same time, Natural Prairie will use the funds to develop additional markets for its products, including the portion of the animal that is not used in kosher processing.

“We will be making this investment in stages, because the objectives of each phase will build upon the last. We will need to be satisfied at each stage prior to disbursing more funds,” said Kathleen (Kate) Butler, executive director of MCEC. “Natural Prairie is an energetic company that has impressed the council with its vision of how to market a premium brand of Manitoba beef.”

Once it has proven markets and supply chain in place, Natural Prairie will move to the next stage of its business plan which is to build a Manitoba plant to process the beef. Future plans also call for the proposed plant to be expanded to include slaughter capacity. Natural Prairie plans to break ground on a new facility in 2008 and to have the plant completed 15-18 months after that. Once the new plant is built, Natural Prairie will be marketing up to 1,250 Manitoba cattle per week (62,500 a year).

“This is a great opportunity for our company. We welcome the Cattle Enhancement Council as an investor,” said Kelly Penner, President of Natural Prairie Beef Inc. “Manitoba producers know how to compete on a world stage, but without access to seed capital like this, we may never get the chance to develop a more vibrant provincial industry.”

“This investment is the first for MCEC, but it certainly won’t be the last,” said Van Ryssel. “We are considering a number of other proposals and initiatives for funding. They all share the goal of invigorating our beef industry. We expect to make more announcements in the near future.”

The MCEC began operations in 2006 with a mandate to support made-in-Manitoba solutions for a long-term, viable beef industry in Manitoba. The council administers an investment pool that is funded by a \$2 per head levy on all cattle sold by Manitoba producers. The province is matching the levy for the first three years so every \$2 becomes \$4. The council’s goal is to invest in initiatives that will lead to increased slaughtering and processing capacity, or that will enhance the market for value-added cattle products.

For more information on the council, please visit www.mancec.com.

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