

01 September 2008

FreshXtend Announces Amalgamation and Financial Results For Q2-2008

VANCOUVER, BRITISH COLUMBIA, Aug 29, 2008 (MARKET WIRE via COMTEX) -- FreshXtend Technologies Corp. ([CA:FXT: news](#), [chart](#), [profile](#)) ("FreshXtend" or "the Company") announces that, further to its news release dated July 21, 2008 updating the status of the review of its core businesses and ongoing operations announced on May 8, 2008, the Company has entered into an Amalgamation Agreement (the "Amalgamation Agreement") dated August 28, 2008, with 832124 BC Ltd. and FreshXtend International Pty Ltd., both of which are private companies associated with Gibsbourne Pty Ltd ("Gibsbourne"), the major shareholder of the Company.

The Amalgamation Agreement contemplates the amalgamation of the Company with 832124 BC Ltd., a newly incorporated British Columbia company ("Subco"), which will be wholly owned by FreshXtend International Pty Ltd., a newly incorporated Australian company ("Newco"). Subco and FreshXtend will amalgamate to form an amalgamated company under the laws of British Columbia ("Amalco"), which will be wholly owned by Newco (the "Amalgamation").

Under the proposed Amalgamation, the existing shareholders of FreshXtend holding less than 50,000 FreshXtend shares will receive cash consideration of Cdn\$0.03 per share (the "Cash Consideration"). Existing shareholders of FreshXtend holding 50,000 or greater FreshXtend shares may elect to receive either the Cash Consideration or one share of Newco for each 50 FreshXtend shares (the "Share Consideration"). A FreshXtend shareholder who does not make an election will be deemed to have elected to receive the Cash Consideration. The Company's existing share purchase warrants and incentive stock options, which are out-of-the-money, will be sought to be cancelled.

The completion of the Amalgamation is subject to the completion of the Private Placement referred to below, approval of the Company's disinterested shareholders, and to applicable regulatory and TSX Venture Exchange (the "Exchange") approval.

Newco and Subco are non-arm's length parties of the Company by virtue of being associated with the major shareholder of the Company. The Company will be relying upon an exemption from the requirement to provide a valuation under Multilateral Instrument 61-504 entitled "Protection of Minority Security Holders in Special Transactions".

The Board of Directors of the Company has established a committee (the "Independent Committee") of the independent directors to evaluate the Amalgamation and determine whether or not to provide a recommendation to the Board of Directors that the Board of Directors should approve the Amalgamation and recommend to the shareholders to vote in favour of a special resolution considering the Amalgamation.

A special meeting of the shareholders will be called to consider and, if thought fit, approve, the Amalgamation. The Amalgamation is subject to the approval of not less than two-thirds of the shareholders and a majority of the minority shareholders voting at the meeting. Further details will be set forth in a management information circular and proxy material to be mailed to the shareholders prior to the meeting.

The Company is also seeking to carry out a private placement to raise up to \$2,000,000 at a price of Cdn\$0.08 per share in order to reduce the number of existing FreshXtend noteholders and other creditors (the "Private Placement"). This Private Placement is subject to acceptance for filing by the Exchange.

Upon completion of the Amalgamation, Amalco will have no active business and its primary assets will consist of the minority shares in Nature Seal Inc. and AgriCoat Nature Seal Limited, now owned by FreshXtend and pledged as security to an existing FreshXtend noteholder. The FreshSpan technology owned by FreshXtend will also be owned by Amalco. The liabilities of FreshXtend will continue as obligations of Amalco, except to the extent that FreshXtend is able to raise funds pursuant to the proposed Private Placement to extinguish these obligations. There can be no assurance that FreshXtend will be able to successfully do so.

It is anticipated that the majority of FreshXtend shareholders will receive cash and that fewer than 50 existing FreshXtend shareholders will elect to receive the Share Consideration. As a result, if the Amalgamation is successfully concluded and all required approvals obtained, the shares of the Company would be delisted from the Exchange and the Company would seek to no longer be a reporting issuer in British Columbia.

There can be no assurance that the Amalgamation will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Amalgamation, any information released or received with respect to the Amalgamation may not be accurate or complete and should not be relied upon.

The Company also announces financial results for the quarter ended June 30, 2008 ("Q2-2008"). Highlights (which are all in US Dollars unless stated otherwise) are as follows:

- Revenue in Q2-2008 was down to \$45,220 compared to \$445,620 in Q2-2007. The significant decrease in revenue follows the transfer of the Company's antioxidant business to Nature Seal Inc. and AgriCoat Nature Seal Limited on March 31, 2008, as previously announced. Antioxidant sales accounted for most of the Company's operating revenues in periods up to March 31, 2008.
- Total operating expenses were \$577,377 in Q2-2008, compared to \$659,692 in Q2-2007, as a result of the elimination of a number of staff positions. Operating expenses are expected to decrease further in subsequent quarters as additional positions are eliminated.
- As a significant non-operating item, the Company recorded investment income of \$204,053 in Q2-2008 (\$nil in Q2-2007), derived from the Company's share of net earnings in the New Companies in the period.
- The Company recorded a net loss of \$316,976 or \$0.01 per share in Q2-2008, compared to a net loss of \$248,370 or \$0.01 per share in Q2-2007.
- The Company's cash position at June 30, 2008 was \$355,770. As of the same date, the Company had a working capital deficiency of \$898,706.

The information in this news release should be read in conjunction with the Company's Unaudited Consolidated Financial Statements and Management Discussion and Analysis for the quarter and six months ended June 30, 2008 and the Company's Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2007, which will be available at the Company's website at www.freshxtend.com and at www.sedar.com.

FreshXtend Technologies Corp.

Manual Listing S & P's Industrial & Int'l, 12g (3)b Exemption: #82-2190

The statements in this news release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934 and are subject to the safe harbour created by these sections. Actual results may differ materially

from the Company's expectations.

The TSX Venture Exchange has neither approved nor disapproved the contents of this news release.

Contacts:

FreshXtend Technologies Corp.

Roy Robinson

Director

(604) 322-0759

(604) 322-0487 (FAX)

Website: www.freshxtend.com