

AGTECH INCOME FUND

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AGTECH INCOME FUND TO ACQUIRE SASKCAN PULSE

Agtech Income Fund (the "**Fund**") (TSX-V:AGT.UN) is pleased to announce that it has entered into a memorandum of understanding (the "**Memorandum**") for the acquisition of Saskcan Pulse Trading Inc. ("**Saskcan**"), a global food processor based in Saskatchewan.

The Memorandum is a non-binding expression of intent subject to the negotiation and execution of formal agreements. Completion of the transaction will be subject to a number of conditions, including the receipt of all necessary regulatory, stock exchange and unitholder approvals, the completion of satisfactory due diligence reviews, and the completion of Saskcan's proposed purchase of a North Dakota processing plant, in addition to customary closing conditions. The transaction was negotiated at arm's length.

The Memorandum proposes that the Fund will acquire 100% of the common shares of Saskcan in exchange for units of the Fund or securities convertible into approximately two million units of the Fund (subject to final determination in the context of the market). In connection with the acquisition, the Fund also intends to carry out a private placement of units of the Fund to raise \$14,000,000, the net proceeds of which will be used to repay the existing debts of Saskcan and to pay for the acquisition of the North Dakota processing plant. The private placement will be priced within the context of the market. The Fund intends to engage Standard Securities Capital Corp. to act as its agent for the private placement. The transaction is valued at approximately \$22 million, including Saskcan's proposed acquisition of the North Dakota plant. The acquisition and the related private placement of units is expected to result in the current unitholders and holders of special voting units of the Fund holding approximately one-third of the issued and outstanding voting securities of the Fund on the completion of these transactions.

There can be no assurance that the transaction will be completed as proposed or at all. The Fund expects to incur significant legal, accounting, financial advisory and regulatory costs in connection with the transaction, which may exceed its current quarterly distributions to unitholders. The Fund will be liable for these costs even if the transaction is not completed.

About the Fund

The Fund is a limited purpose open-ended income trust originally created for the purpose of acquiring all of the voting securities of Agtech Processors Inc. ("**Agtech**"), which transaction was completed on March 22, 2005. Agtech is engaged in the business of sourcing, processing (cleaning, sorting and bagging) and selling specialty crops, primarily for export markets, with one processing plant in Regina, Saskatchewan. Agtech specializes in the green lentil market but as of September 2004 it is also involved in the canary seed market. The units of the Fund are listed for trading on Tier 2 of the TSX Venture Exchange under the symbol "AGT.UN".

About Saskcan

Saskcan is a global food processor with three processing plants in Saskatchewan and a contract to acquire an additional processing plant in North Dakota, which is scheduled to close on May 31, 2007. Saskcan's operations currently focus on red lentils and peas.

Creating a Powerful Agricultural Processing Company

Following the acquisition of Saskcan, the Fund may change its name, but there is as yet no agreement on a new name. The Fund, through its operating companies Agtech and Saskcan, will operate four processing plants in Saskatchewan and one processing plant in North Dakota,

with over 300,000MT of annual production capacity. This is expected to make the Fund North America's largest exporter of value-added lentils and peas to the food and ingredient markets globally. Canada is the largest exporter in the world of peas and lentils, a staple protein food that it consumed by hundreds of millions of consumers world-wide.

"This merger creates a company in our industry like no other. The Fund will have substantive reach into major growing areas. Five plants gives us the capacity and product mix to meet the demands of the global consumer," said Stephen Bodnoff, Chairman of the Board of Trustees of the Fund. "Clients are demanding high quality, value-added food and ingredients. We now have the ability to react to their needs and supply them with whole lentils, split lentils, split peas and other specialty crops processed in our own plants."

"We are excited by the opportunity that presents itself with this transaction. Saskcan has developed a brand in the world as one of the world's largest exporters of split lentils and peas. The merger with Agtech expands our operation again and continues our pursuit to become the world's most reliable supplier of value added lentils and peas and specialty crops," explained Murad Al-Katib, President and CEO of Saskcan. "Saskcan exports to over 50 countries and our majority shareholder owns Arbel Pulse and Grain Industry SA from Turkey. This venture combines two decades of Canadian experience with sixty years of experience in the global trading of specialty crops."

"Our business is about risk management, financing, transportation and quality products. A company that can execute on these aspects will succeed in the global marketplace. The merger combines the strengths of Agtech and Saskcan to create a robust, balanced and diverse product portfolio of processed food products. Operationally and in terms of our business focus, this is a strategic fit," commented Huseyin Arslan, Chairman of Saskcan. "Our family has been in this business for many decades. Reaching the success symbolized by this transaction gives us great pride. We look forward to an opportunity to deliver our plans to the global investment community."

Cautionary Statements

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by Agtech at the time or preparation, may prove to be incorrect.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Fund. There is no representation by the Fund that actual results achieved during the forecast period will be the same in whole or in part as those forecast. All dollar amounts in this press release are Canadian dollars unless otherwise identified.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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