

ARTEVO CORPORATION ANNOUNCES QUALIFYING TRANSACTION AND PRIVATE PLACEMENT

FOR IMMEDIATE RELEASE

CALGARY, ALBERTA - October 17, 2007 – Artevo Corporation (“**Artevo**”) (TSX Venture: AEV.P), a capital pool company, today announced details concerning a proposed qualifying transaction with Power Play Art Ltd. (“**PPAL**”) as agreed to in a Letter of Intent dated October 4, 2007. The transaction also involves the completion of a private placement in PPAL of unsecured convertible debentures in a principal amount of up to a maximum of \$4,000,000, and the business combination (the “**Business Combination**”) of PPAL with Artevo, which will constitute the qualifying transaction of Artevo pursuant to Policy 2.4 of the TSX Venture Exchange Inc. (“**TSX Venture**”).

About PPAL

PPAL is a company that is focused on marketing, production and distribution of artwork and images. PPAL began operations in 2000 and since then has spent approximately \$11,000,000 refining its business model and developing a strategic multi level business plan. PPAL has experienced modest revenues over this development period, which revenues have essentially been limited to sales in the Calgary market place.

In 2002 PPAL purchased and renovated a 20,000 sq. ft. historic building in downtown Calgary. One year later the Artists of the World gallery was opened as PPAL’S flagship gallery. The gallery is licensed for alcohol service, has a theatre and hosts approximately 150 events per year attracting some twenty thousand guests. PPAL also secured and outfitted a 12,000 sq. ft. building in Calgary for its framing and production facility. PPAL recently signed an agreement with the Hudson’s Bay Company to test the concept of a PPAL retail art gallery in selected stores and has established two small galleries in their store locations in downtown Toronto and Vancouver.

In addition to retail locations, PPAL has developed the Artevo.com web portal to facilitate the distribution of artwork and images through the internet. Phase one of the website was launched in May, 2007 and the second phase which includes increased functionality and marketing related enhancements is expected to be completed and online in November, 2007.

Over the past 6 years PPAL has secured contracts with over 130 artists to reproduce certain original artworks. In addition to the inventory of over 1,000 original artworks, PPAL also has approximately 4,000 unique images that are exclusive to PPAL and can be reproduced on demand. These artworks and images are reproduced using the giclée method on canvas which is regarded by management as one of the highest quality reproduction methods available.

About PPAL Share Capital, Proposed Financings and Financial Results

PPAL is incorporated under the laws of Alberta and currently has 27,965,706 common shares (the “**PPAL Common Shares**”) issued and outstanding. PPAL also has outstanding options to purchase 1,241,668 PPAL Common Shares at prices ranging from \$0.70 to \$1.15 per share expiring at various dates until March, 2013 and 163,000 warrants, each warrant entitling the holder thereof to purchase one PPAL Common Share at \$1.60 per share until January, 2009. PPAL will take steps to amend the expiry dates of the stock option agreements to comply with the five year limit provided for in the stock option plan of Amalco in accordance with the policies of the TSX Venture.

The shareholders of PPAL, who hold more than 10% of the outstanding shares of PPAL are currently:

Name and Municipality of Residence⁽¹⁾	Number of PPAL Common Shares Held	Percentage
Christopher Talbot, Calgary, Alberta	11,801,100	42.2%
Damian and Sonia Conrad, Auckland, New Zealand	3,288,857	11.8%
Carter Management Co. Inc., Calgary, Alberta ⁽²⁾	3,100,000	11.1%

Notes:

- (1) Includes both direct and indirect ownership.
- (2) A company controlled by Kenneth Carter of Calgary, Alberta.

PPAL has \$1,558,619 of convertible debentures outstanding. All of the debentures pay interest at 12% per annum with the exception of one debenture in the amount of \$300,000 which pays no interest. If the Business Combination is completed, three of the convertible debentures aggregating \$649,179 become due and payable and the principal amount outstanding and accrued interest are convertible into common shares (“**Amalco Common Shares**”) of the company resulting from the Business Combination (“**Amalco**”) at a conversion price of \$0.50 per Amalco Common Share. If the Business Combination is completed, two of the convertible debentures aggregating \$700,000 will automatically convert into Amalco Common Shares at a price of \$0.50 per Amalco Common Share if the trading price of the Amalco Common Shares on the TSX Venture exceeds \$1.00 for ten consecutive trading days, and are convertible into Amalco Common Shares at \$0.50 per Amalco Common Share at the option of the holder at any time before maturity. These debentures mature on October 2, 2009. One debenture in the amount of \$209,440 is convertible at a conversion price of \$0.50 per Amalco Common Share only at the option of the holder. This debenture matures on demand after the completion of the Business Combination.

Prior to or in conjunction with the completion of the Business Combination, PPAL plans to complete a non-brokered private placement (the “**PPAL Private Placement**”) of up to a maximum of \$4,000,000 in principal amount of unsecured convertible debentures of PPAL (“**PPAL Debentures**”). The PPAL Debentures will bear interest at 12% per annum payable quarterly, are repayable in full two years from the date of issue, and will automatically convert into Amalco Common Shares at a price of \$0.50 per Amalco Common Share if the trading price of the Amalco Common Shares on the TSX Venture exceeds \$1.00 for ten consecutive trading days, and are convertible into Amalco Common Shares at \$0.50 per Amalco Common Share at the option of the holder at any time before maturity. The proceeds made available through the sale of PPAL Debentures will be used to initiate marketing strategies, enhance PPAL’s web based technologies, evaluate potential opportunities for acquisition, establish a reserve for interest payments related to the PPAL Debentures for 12 months, and for working capital to fund on-going operations of the PPAL.

Based on unaudited management prepared consolidated financial statements for the nine months ended June 30, 2007, PPAL had sales revenue of \$1,510,323, cost of sales of \$694,288, gross profit of \$816,035, other income of \$404,894, operating expenses of \$2,814,549, and a net loss of \$1,593,620. In addition, as at June 30, 2007 PPAL had working capital of \$1,178,507, assets of \$6,877,584 and liabilities of \$3,859,988.

Based on audited consolidated financial statements for the year ended September 30, 2006, PPAL had sales revenue of \$2,131,567, cost of sales of \$1,252,666, gross profit of \$878,841, other income of \$340,705, operating expenses of \$2,455,399, and incurred a net loss of \$1,235,853. In addition, as at

September 30, 2006 PPAL had working capital of \$2,498,395, assets of \$6,523,964 and liabilities of \$2,477,364.

Information Concerning Artevo

Artevo is a capital pool company that completed its initial public offering and the common shares of Artevo (the “**Artevo Common Shares**”) are expected to be listed for trading on TSX Venture shortly. Artevo currently has outstanding 2,000,000 Artevo Common Shares, incentive stock options to acquire 200,000 Artevo Common Shares at a price of \$0.20 per share until July 19, 2012 (the “**Artevo Stock Options**”) and agent’s options to purchase 100,000 Artevo Common Shares at a price of \$0.20 per share until two years from the date of listing (the “**Artevo Agent’s Options**”).

About the Business Combination

Artevo and PPAL have agreed to complete the Business Combination pursuant to an amalgamation or arrangement, to be determined, to form a new company to be called Artevo Corporation (“**Amalco**”). Amalco will be classified as a Tier 2 Industrial Issuer that will trade on the TSX Venture. The proposed Business Combination is a non-arm’s length transaction as both Christopher Talbot and Dale Gillespie are directors, officers and principal shareholders of Artevo and are also directors and officers of PPAL and Christopher Talbot is also a principal shareholder of PPAL. As a result, Artevo will form a special committee of its board of directors to review and approve the exchange ratio of the Business Combination which is expected to consist of Hubert R. Marleau and James Joseph. Pursuant to the terms of the Business Combination: (i) the holders of the Artevo Common Shares will receive one Amalco Common Share for each Artevo Common Share owned; and (ii) the holders of the PPAL Common Shares will receive one Amalco Common Share with a deemed value of \$0.20 per share for each PPAL Common Share owned resulting in total consideration of \$5,588,141 (assuming that 27,940,706 PPAL Common Shares are outstanding), subject to final approval of the special committee of Artevo. Amalco Common Shares held by principal shareholders, including any Amalco Common Shares received in the conversion of debentures purchased on the PPAL Private Placement will be subject to escrow. The outstanding PPAL existing options, Artevo Stock Options and Artevo Agent’s Options shall be replaced with options in Amalco on a one for one basis exercisable at a price of \$0.20 per share.

About Amalco the Resulting Issuer

After completion of the Business Combination, management of Amalco is expected to consist of Christopher Talbot as President and Chief Executive Officer, Greg Rodda as Chief Operating Officer, and Brian Callaghan as Chief Financial Officer. After completion of the Business Combination, the Amalco board of directors is expected to consist of four members, being Christopher Talbot, Dale Gillespie, James Joseph and Hubert R. Marleau.

Christopher Talbot, age 52, is the Chairman, President, Chief Executive Officer, Promoter, Secretary and a Director of Artevo. Mr. Talbot is the founder of PPAL. He was self-employed at 19 as a motor vehicle dealer, secured the marketing rights to the Maserati franchise for Australia at age 24 and was a real estate developer in Queensland, Australia at age 29, employing over 200 contractors. In Calgary, Mr. Talbot founded in 1999 and developed Olympic Seismic Ltd. into a significant seismic data provider in Canada. Mr. Talbot is also a professional photographer, his passion for collecting fine art over the past 25 years has provided PPAL with key contacts worldwide. He will dedicate most of his time to the development of the Amalco.

Dale Gillespie, age 66, Chief Financial Officer, Director and a Promoter of Artevo. Mr. Gillespie has 40 years of marketing and distribution experience and is a seasoned chief executive officer with expertise in

the public markets. He was the founder and operator of Liquidation World Inc. and established 106 outlets across North America. Mr. Gillespie won the Ernst and Young Entrepreneur of the Year Award in 1995 and the Pinnacle Award for Business Excellence in 2001.

Jim Joseph, age 63, is a Director of Artevo. Mr. Joseph currently provides financial consulting and litigation support to clients through his company, KSD Ventures Inc. From 1972 to 2002, Mr. Joseph worked for RoyNat Capital specializing in term loans, subordinate debt and equity investments with mid-market companies. Mr. Joseph was appointed vice-president of RoyNat Capital in 1985, became regional vice-president for western Canada in 1994 and elected early retirement in 2002. Mr. Joseph has earned an MBA from the University of Western Ontario and a B.Sc. from the University of Manitoba.

Hubert Marleau, age 63, is a Director of Artevo. Mr. Marleau is currently the President and Chief Executive Officer of Palos Capital, a private pooled investment fund since 1998 and has been a director or executive officer of many public and private companies for over 25 years. Mr. Marleau has earned a B.Sc. (Hon) in economics from the University of Ottawa.

Gregory Rodda, age 58, is the proposed Chief Operating Officer of Amalco. Mr. Rodda has been the president of Cash Converters Central Provinces Inc. from October 1995 until August 2007. Mr. Rodda holds a Diploma in Real Estate from Perth College.

Brian Callaghan, age 48, is the proposed Chief Financial Officer of Amalco and will have management oversight and responsibility for all financial functions of Amalco. Mr. Callaghan has over 15 years experience overseeing the financial management of both private and publicly traded companies, most recently as VP Finance and Controller for Liquidation World Inc.; a TSX issuer. His industry experience includes oil & gas services, manufacturing, hospitality, telecommunications, printing, consulting, and retail.

Mr. Callaghan is a Certified Management Accountant, and holds an MBA degree from Royal Roads University in Victoria, BC. He is actively involved at a board level with the CMA Alberta Calgary Chapter, is a volunteer with Junior Achievement, and is a member of the Society of Management Accountants of Alberta, the Institute of Internal Auditors and Financial Executives International.

Damian and Sonia Conrad who are private investors will be principal shareholders holding more than 10% of the issued and outstanding shares of Amalco.

Other Matters Concerning the Business Combination

The completion of the Business Combination is subject to the approval of TSX Venture and all other necessary regulatory approval. The completion of the Business Combination is also subject to additional conditions precedent, including: (i) shareholder approval of each of Artevo and PPAL for the Business Combination; (ii) approval of the special committee of Artevo; (iii) satisfactory completion of due diligence reviews by the parties; (iv) board of directors approval of PPAL and Artevo; (v) the entering into of a formal agreement in connection with the Business Combination; (vi) the completion of the PPAL Private Placement; and (vii) certain other conditions.

Lightyear Capital Inc. (“**Lightyear**”), subject to TSX Venture approval and completion of satisfactory due diligence, has agreed to act as sponsor in connection with the Business Combination. **An agreement to act as sponsor should not be construed as any assurance with respect to the merits of the Business Combination or the likelihood of completion.**

Artevo announces it has reserved a price of \$0.20 per share for the grant of stock options to acquire up to 10% of the outstanding Amalco Common Shares (the “**Amalco Stock Options**”) in the event the Business Combination and the PPAL Private Placement are completed. The grant of the Amalco Stock Options is subject to regulatory approval. The Amalco Stock Options will be granted to directors, officers, employees and consultants of Amalco, as determined by the Board of Directors of Amalco concurrent with the completion of the Business Combination.

The Business Combination will be a non-arm’s length transaction as Christopher Talbot and Dale Gillespie are directors, officers and principal shareholders of Artevo and directors and officers of PPAL. Christopher Talbot is also a principal shareholder of PPAL.

Trading in the Artevo Common Shares is expected to commence after Lightyear has filed a sponsorship acknowledgement form with TSX Venture and when TSX Venture has received such other documentation as it may request.

For further information contact Christopher Talbot, the President of Artevo at (403) 244-8123.

As indicated above, completion of the Business Combination is subject to a number of conditions, including but not limited to, TSX Venture acceptance and shareholder approval. The Business Combination cannot close until the required shareholder approval is obtained. There can be no assurance that the Business Combination will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular of Artevo to be prepared in connection with the Business Combination, any information released or received with respect to the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of Artevo should be considered highly speculative.

The securities of Artevo being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

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