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## HEDLEY TECHNOLOGIES INC.

FOR IMMEDIATE RELEASE

### HEDLEY Q1 SALES AND OPERATING PROFIT INCREASE NET PROFIT DOWN ON OTHER INCOME

**MISSISSAUGA, ONTARIO (May 29, 2006)** Hedley Technologies Inc. ("Hedley", TSX Venture: HED) today released its first quarter 2006 financial results. Sales for the quarter ended March 31, 2006 were \$267,778 up \$141,077 (111%) from the same period in 2005. The sales increase was driven by early Protect-It® orders from Canadian customers as well as modestly increased sales of Protect-It® to international customers. Gross profit for the quarter ended March 31, 2006 was \$168,616, up 223% from \$52,221 in the corresponding quarter of 2005. As a result, gross margin for the current year period improved to 63% from 41% in the first quarter of 2005. The increased gross margin was a result of year to year differences in product mix and relatively lower costs of raw materials purchased in U.S. dollars.

Operating expenses for the three months ended March 31, 2006 were \$128,846, up \$8,313 (7%) from the corresponding period in 2005. As a result of the increase in sales, improved gross margin and a modest increase in operating expenses, the profit from operations for the first quarter of 2006 was \$39,770 compared to a loss of (\$68,312) in the same quarter of 2005. Net profit for the three months ending March 31, 2006 was \$39,770 (\$0.003 per share), versus \$537,344 (\$0.044 per share) in the same period in 2005. The year ago period included one non-recurring gain on Other Income of \$605,656. The Other Income earned in 2005 was the result of returning product distribution rights to the manufacturer of a blood diagnostic product.

Hedley continues to concentrate on its pharmaceutical strategy to source products that have been successfully developed and proven to be safe and effective; manage these products through the regulatory process and product registration (approval); and once approved, market these products in Canada. These pharmaceuticals will compete in both the branded and generic market segments and will not require further product development investment other than regulatory costs.

Hedley Technologies Inc. is a publicly traded life science company that acquires or licences products and commercializes proprietary science-based technologies that advance human health and public safety. Hedley's common shares are listed for trading on the TSX Venture Exchange (TSXV) under the symbol HED.

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*The TSX Venture Exchange assumes no responsibility for the accuracy of this release and neither approves nor disapproves of same.*