



SunOpta Signs Joint Development Agreement With Royal Nedalco

TORONTO--July 6, 2006--SunOpta Inc. (SunOpta or the Company) (NASDAQ:STKL) (TSX:SOY) today announced that the company has signed a Joint Development Agreement with Royal Nedalco, based in the Netherlands, one of the largest ethanol suppliers in Europe. Under this agreement, SunOpta will license Nedalco's patented pentose fermenting yeast for the production of cellulosic ethanol in North America and will work with Nedalco to include SunOpta's technology and systems for cellulosic ethanol production into their planned new grain ethanol facilities in Europe.

Nedalco, a subsidiary company of the Dutch sugar producer Cosun, has been producing ethanol in Europe for over 100 years and is a world leader in ethanol fermentation technology. A consortium including Nedalco, Delft University of Technology and BIRD Engineering, all located in the Netherlands, have developed a patented and novel pentose fermenting yeast that is capable of high conversions of pentose sugars into cellulosic ethanol. Nedalco is adding ethanol capacity in the Netherlands and the U.K. including a 200 million litre grain ethanol plant that will produce road fuel. Nedalco plans to use their pentose fermenting yeast in this new facility.

A significant challenge in producing cellulosic ethanol is the ability to ferment both hexose sugars (glucose) and pentose sugars (xylose), since pentose sugars can represent up to half of the available fermentable sugars in cellulosic biomass. The baker's yeast that is used in starch ethanol plants cannot ferment xylose or other pentose sugars, but this new yeast is robust and can ferment both hexose and pentose sugars at high ethanol yields.

SunOpta intends to study the capability to produce fuel grade cellulosic ethanol using by-product streams high in hexose and pentose sugars from its U.S. fiber operations incorporating this new yeast.

Murray Burke, Vice President and General Manager of SunOpta's BioProcess Group, commented that, "We are extremely pleased to be working with Nedalco and we are very impressed with their technical excellence and with their pentose fermenting yeast technology. We look forward to working with Nedalco to incorporate their technology and expertise with ours for the production of cellulosic ethanol in North America and Europe."

About SunOpta Inc.

SunOpta Inc. is an operator of high-growth ethical businesses, focusing on integrated business models in the natural and organic food markets. The Company has three business units: the SunOpta Food Group, which specializes in sourcing, processing and distribution of natural and organic food products integrated from seed through packaged products; the Opta Minerals Group, a producer, distributor, and recycler of environmentally friendly industrial materials; and the SunOpta BioProcess Group which is a world leader in biomass conversion technology for producing biofuels and other value added products from biomass. Each of these business units has proprietary products and services that give it a solid competitive advantage in its sector.

Forward-Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to references to business strategies, competitive strengths, goals, capital expenditure plans, business and operational growth plans and references to the future growth of the business. These forward looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its interpretation of current conditions, historical trends and expected future developments as well as other factors that the Company believes are appropriate in the circumstance. However, whether actual results and developments will agree with expectations and predications of the Company is subject to many risks and uncertainties including, but not limited to; general economic, business or market risk conditions; competitive actions by other companies; changes in laws or regulations or policies of local governments, provinces and states as well as the governments of United States and Canada, many of which are beyond the control of the Company. Consequently all forward-looking statements made herein are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized.

CONTACT: SunOpta Inc.
Jeremy N. Kendall, Steve Bromley,
John Dietrich, Susan Wiekenkamp, 905-455-2528, ext 103

susan.wiekenkamp@sunopta.com

Website: www.sunopta.com

or

Investment Community Inquiries

Lytham Partners, LLC

Joe Diaz, Robert Blum, Joe Dorame, 602-889-9700

diaz@lythampartners.com

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