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CANLAN REPORTS IMPROVED RESULTS IN Q2

Burnaby, B.C. August 10, 2005– Canlan Ice Sports Corp. today reported results for the six months ended June 30, 2005

Second Quarter Results (in thousands of dollars)

	Three months ended June 30		Six months ended June 30	
	2005	2004	2005	2004
Revenue:				
Ice rinks	\$ 10,671	\$ 10,015	\$ 24,909	\$ 23,999
Expenses:				
Ice rinks	9,366	8,889	19,026	18,353
Earnings from operations	1,305	1,126	5,883	5,646
General and administration expenses	819	741	1,503	1,337
Earnings before the undernoted	486	385	4,380	4,309
Other expenses:				
Interest on debt on ice rinks	668	709	1,355	1,469
Other interest	131	197	225	360
Loss on foreign exchange	8	15	14	15
Amortization	883	901	1,796	1,803
Gain on sale of capital assets	-	(36)	-	(36)
Non-controlling interest	-	17	-	445
	1,690	1,803	3,390	4,056
Earnings (loss) before taxes	(1,204)	(1,418)	990	253
Income tax	(57)	(76)	(115)	(135)
Future tax recovery (expense)	278	-	(215)	-
Net earnings (loss)	(\$983)	(\$1,494)	\$660	\$118
Basic earnings (loss) per share	\$ 0.00	\$ (0.02)	\$ 0.00	\$ 0.00
Fully diluted earnings (loss) per share	\$ 0.00	\$ (0.02)	\$ 0.00	\$ 0.00
Basic and diluted weighted average number of shares outstanding (in thousands)	266,747	93,326	266,747	93,326

Second quarter results (three months ended June 30, 2005 compared with three months ended June 30, 2004):

- Overall, revenues of \$10.7 million increased by \$656,000 or 6.6%.
- Year over year results were affected by the following:
 - during the quarter, Canlan entered into two new long term leasing arrangements whereby the Company leases ice rink facilities from third party owners and assumes the risks and rewards of rink operations
 - in May of 2004, the Company leased its Kansas ice facility to third party operators; therefore, sales from ice operations were replaced by lease revenue in 2005
- After adjusting for these changes, same store sales was \$10.1 million compared to \$10.0 million in 2004.
- Total ice rink operating expenses of \$9.4 million increased by \$477,000 from the prior year mainly due to the addition of two rinks being leased from third party owners.
- Same store ice rink operating costs of \$8.7 actually decreased by \$179,000 primarily because of lower rink operating costs and salary expense.
- Earnings before interest, taxes and amortization (EBITA) of \$486,000 increased by \$101,000 or 26% from the prior year.
- After interest and amortization of \$1.7 million, a loss before taxes of \$1.2 million resulted, an improvement of \$214,000, due to increased EBITA and lower interest costs from lower debt levels.
- A net tax recovery of \$221,000 was recognized and the net loss for the quarter was reduced to \$983,000, compared to a net loss of \$1.5 million a year ago.
- Basic and fully diluted loss per share was less than \$0.01 per share in 2005 compared to a loss of \$0.02 in the prior year. The positive change reflects both an improvement in operations overall and the increased number of outstanding shares that resulted from the rights offering completed in November of 2004 (June 30, 2005 – 266,747,000 shares; June 30, 2004 – 93,326,000 shares).

Year to date results (six months ended June 30, 2005 compared with six months ended June 30, 2004):

- Total revenue from ice rink operations increased by \$910,000 or 3.8%, from \$24.0 million to \$24.9 million during the first six months of 2005.
- Same store revenue increased to \$23.4 million, compared to \$23.3 million in the prior year.
- The two new facilities being leased from third party owners contributed \$1.4 million in revenues during the first six months, which was consistent with expectations.
- Same store ice rink operating costs were \$17.6 million compared to \$18.0 million in 2004, which represents a 2.2% decrease. The main reason for the decrease was that most of the operating costs incurred for the Kansas facility during the first 4 months of 2004 were not necessary in 2005 because this arena was leased out to third party operators.
- Overall, \$4.4 million of EBITA was earned compared to \$4.3 million in 2004, which represents a 1.6% increase.
- Interest expense decreased by \$249,000 due to lower debt levels and no minority interest expense was recorded since the minority interest of two subsidiaries were purchased by the Company in September 2004.
- After providing for income tax expense of \$330,000, net earnings increased by \$542,000 to \$660,000 from \$118,000 in the prior year.

Grant Ballantyne, President and CEO said that although revenue growth was not as strong as in previous years due to some outside pressures, he was happy to see that the Company's strength in operating its own brand of ice programs and tournaments, such as the "3 on 3" league was able to offset declines in summer adult hockey and third party ice contract bookings. This reinforces the fact that in the long run, the Company's proactive approach to expanding the Canlan portfolio of programs and leagues is much better than relying solely on third party customers that book ice for a specific period of time each year. For the second half of 2005, focus will be placed on reviving the revenue growth trend that we have been used to over the past 4 years and on strict management of costs.

Canlan Ice Sports Corp. is the largest private sector operator of recreational ice facilities in North America with 53 ice surfaces at 19 facilities in Canada. Through the Adult Safe Hockey League, Canlan operates the largest adult recreational hockey league in North America with more than 37,000 players and offers a variety of other programs including youth leagues, hockey and figure skating schools and tournaments.

The Company will be filing its June 30, 2005 unaudited consolidated financial statements and Management Discussion & Analysis with SEDAR on or before August 15, 2005.

Canlan Ice Sports Corp. is listed on the Toronto Stock Exchange under the symbol "ISE".

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FOR FURTHER INFORMATION PLEASE CONTACT:

Michael Gellard, Senior Vice President, Finance & CFO
Canlan Ice Sports Corp.

(604) 736-9152