



MedCell and NovaThera Merge

Combining Forces for Musculoskeletal Regeneration

Newmarket, UK – 18 June 2008: MedCell Bioscience Ltd, the regenerative medicine company, today announced its merger with NovaThera Ltd, (Cambridge, UK). The combined Company, which will continue to trade under the MedCell Bioscience name, has a post merger valuation of about £30 million.

MedCell's CEO, Greg McGarrell said: "This is an exciting development for both companies, resulting in a regenerative medicine business with secure IP, a strong R&D focus, expanding revenues, and the critical mass needed to exploit MedCell's promise."

NovaThera Chairman, Michael Anderson agreed: "This merger of equals creates a company with the potential to be a leading light among Europe's biotech sector. Both companies began life in world renowned Universities: University College London and Imperial College. Furthermore, in 2007 MedCell won two awards from the UK Department of Trade and Industry: 'Outstanding Achievement through Passport to Export' and "UK BioEntrepreneurial Company of the Year" proving our outstanding abilities in the sector."

NovaThera brings two key platform technologies to the new company: TheraGlass[®], a novel bioactive glass; and the NovaPod[™], a revolutionary rotating bio-processor. TheraGlass[®] interacts with the body's tissues to stimulate cell growth and has spawned technologies with potential uses from craniofacial reconstruction to drug delivery. The NovaPod[™] is a ready-to-launch system for 3D bio-processing allowing dynamic media analysis and enabling the rapid and improved scale-up of stem cell culture.

MedCell will continue to further develop its MS-Ten programme. This technology harnesses the plasticity of autologous mesenchymal stem cells to promote tendon and ligament regeneration, in humans. The technology has already been successfully commercialized, as MS-Eq, in the animal health markets throughout Europe, North and South America, Australia, and the Middle East.

MedCell's COO, David Mountford, adds "The combined technologies and expertise have genuine synergies and the R&D programmes and commercial opportunities will benefit from the new blend of individual skills and valuable IP".

The Company will be based on Cambridge's Babraham Research Campus.

MedCell was advised by Innovator Capital Limited and Fasken Martineau Stringer Saul LLP.

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Notes to Editors:

MedCell BioScience is an innovative healthcare company dedicated to developing new regenerative medicine technologies for the treatment of tendon and ligament injuries.

The Company is focused on improving health and welfare by providing the medical profession with revolutionary cellular therapeutics for tendon and ligament injuries. MedCell's primary technologies utilise adult mesenchymal stem cells in the treatment of tendinitis, tendinosis and desmitis in conditions such as rotator cuff injuries (RCIs) and Achilles tendinopathies.

Having developed technologies within the veterinary market and secured the leading position in this branch of the healthcare sector, MedCell will now establish a prime position in the human market through a combination of R&D, acquisitions and strategic alliances.

NovaThera is an Imperial College spin out company. NovaThera specialises in pioneering applications of biomaterials and stem cell biology for regenerative medicine to provide innovative therapeutic solutions (wound management, bone repair, lung repair).

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