

For Immediate Release  
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## **DiaKine Therapeutics and Mediatech to Market Immune Modulating Media Designed to Improve Islet Cell Transplants**

*Lisofylline shown in studies to improve human islet cell graft function and reduce cell death*

CHARLOTTESVILLE, VA – January 10, 2007 -- Diakine Therapeutics, Inc. and Mediatech, Inc. today announced an agreement to market Lisofylline (LSF) to islet cell transplant centers worldwide. LSF is designed to improve the viability and insulin producing capabilities of harvested islet cells prior to transplant, potentially improving the success rate of the procedure.

“Mediatech is the leader in providing transplant media products for islet cell transplants and the best choice to introduce the potential benefits of LSF to the worldwide market,” said Keith Ignatz, CEO and President of DiaKine. “We believe that LSF has the potential to greatly improve the outcome of islet cell transplants and expand the opportunity to improve the lives of more people with diabetes.”

Mediatech has provided sterile solutions used in islet cell transplantation for over 10 years. In recent months, Mediatech has applied for two formulation patents focused on improving the process of isolating islet organelles. This business relationship with DiaKine will bring innovative opportunities to improve these processes.

“We are very excited to have the ability to work with DiaKine,” states Jim DeOlden, President of Mediatech. “Adding the LSF to the regime should markedly improve the isolation outcome, and we look forward to providing the technical information related to LSF and encourage the Islet community to incorporate this change to their process.”

LSF is a synthetic small molecule, with novel anti-inflammatory properties, that blocks autoimmune damage to insulin producing cells. As a preparation for islet cell transplants, LSF is formulated with islet cell media for protection of the cells prior to transplant into the body. The unique properties of the LSF have shown in human islet cell studies to reduce cell death by more than 30% and improve insulin output capabilities. Additionally, LSF alone has demonstrated that it can effectively prevent type 1 diabetes in preclinical models. Besides the new cell culture media product that incorporates LSF, DiaKine Therapeutics is developing LSF and other novel immune modulators licensed to the Company into drug therapies for type 1, type 2 diabetes, and related complications.

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Under terms of the agreement, DiaKine will supply the proprietary LSF drug substance and access to an open Investigational New Drug application (IND). Mediatech will combine the LSF with the transplant media and sell the product to the growing number of worldwide islet cell transplant centers. Mediatech, Inc. is the primary manufacturer and supplier for the growth media and sterile solutions used in the isolation and transplantation of islets. The two companies will share revenue. The product is expected to be available in the first quarter of 2007.

#### **About Islet Cell Transplants –**

Islet transplantation has emerged as one of the most promising options for restoring normal blood sugar in people with type 1 diabetes. Islets, which contain the insulin-producing beta cells that have been destroyed in type 1 diabetes, are taken from a donor's pancreas and transferred to a person with the disease. Healthy islets are isolated from a donor pancreas, purified, and then infused through a catheter (small tube) into the portal vein of the liver. Islet transplantation can be performed as an outpatient procedure. Following the transplant, patients take immunosuppressive drugs to keep their bodies from rejecting the new islets and to block recurrence of diabetes.

When successful, islet transplants can restore normal blood sugar without the need for insulin injections and significantly improve recipients' quality of life, making them "normal" again, according to the Juvenile Diabetes Research Foundation.

#### **About DiaKine --**

DiaKine Therapeutics, Inc. is a development-stage company commercializing novel immune modulators for the treatment of diabetes and related complications. These drugs have the potential to stop the progression of diabetes and reverse damage already caused by the disease. Therapeutics under development by DiaKine include: adjunct therapy to islet cell transplants, halting the progression of type 1 diabetes in newly diagnosed adults, treatment and prevention of Latent Autoimmune Diabetes of Adults (LADA), treatment and prevention of insulin requiring type 2 diabetic, treatment and prevention of diabetes complications. For more information, visit [www.diakine.com](http://www.diakine.com).

#### **About Mediatech –**

Mediatech is a market leader in cell culture and bioprocessing systems for academic and government research facilities as well as pharmaceutical and biotechnology companies. Mediatech manufactures and sells a wide range of cell culture media and reagents throughout the world. Our products are sold directly and through distribution under the brand names cellgro® and Insectagro™. Since 1984, researchers and biopharmaceutical production communities have depended on our superior products at low prices. For more information, visit [www.cellgro.com](http://www.cellgro.com).

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