



EPISTEM HOLDINGS PLC - ISSUE OF EQUITY

Epistem Holdings Plc (the "Company"), the biotechnology company which commercialises adult stem cells in the areas of oncology and gastrointestinal diseases, announced today that it has raised £1,065,703.78 by a placing of 653,806 Ordinary Shares of £0.015 each at an issue price of £1.63 per share, the mid market price at the time the placing was agreed....

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EpiStem Holdings plc

20 November 2007

For release: 20th November 2007

Placing Announcement

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The Company will use the proceeds of this placing to accelerate the development of its high sensitivity gene expression biomarker technology. The biomarker platform analyses changes in gene expression from RNA extracted from cells located at the base of a single human plucked hair. Epistem has developed the biomarker platform to identify drug-induced changes in gene expression for application in preclinical and clinical drug development.

The shares issued pursuant to the Placing were placed on 15th November 2007 with the following existing shareholders of the Company:

306,903 Ordinary Shares with Calculus Capital Limited;

306,903 Ordinary Shares with Helium Special Situations Fund; and

40,000 Ordinary Shares with New Star Asset Management.

The Company confirms that it has sufficient authorised but unissued share capital to effect the Placing and that the directors have been granted the necessary authority by the shareholders under section 80 of the Companies Act 1985 and that the statutory pre-emption rights under section 89 of the Companies Act 1985 have been disapplied in relation to the Placing Shares. The Placing Shares will rank pari passu with the existing ordinary shares of £0.015 in the capital of the Company. The Placing has been arranged by Landsbanki Securities (UK) Limited.



As a result of the Placing, the issued share capital of the Company will increase to 7,191,883 Ordinary Shares of £0.015 each.

The above figure of 7,191,883 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.

Application has been made for, and the Placing is conditional upon, admission of the 653,806 shares to trading on AIM. It is expected that Admission will become effective and dealings will commence at 8:00 a.m. on 21 November 2007.

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