Epistem Plc
(“Epistem” or “the Company”)

**Genedrive™ passes first in-field Tuberculosis testing**

Epistem (London AIM: EHP), the biotechnology and personalised medicine company, is pleased to announce today the successful completion of its first round Tuberculosis (TB) clinical studies as part of its diagnostic collaboration with Xcelris Laboratories, one of India’s leading Genomics research and Diagnostic testing companies. Since announcing this collaboration on 28 June 2011 Epistem and Xcelris have evaluated Epistem’s Genedrive™ molecular diagnostic device in 3 private Indian clinics alongside existing TB diagnostic methods to assess the potential of Genedrive™ for the rapid diagnosis and subsequent treatment of TB sufferers.

India has the largest number of TB sufferers in the world, more than twice the number in China, which has the second highest infection rate. According to the World Health Organisation, every year 2 million new patients in India develop TB of which roughly half a million cases are fatal with the highest incidence occurring in remote rural areas.

The TB programme will continue its evaluation through 2011, following which Epistem and Xcelris are preparing to launch the diagnostic test commercially (and subsequent TB antibiotic resistance test) to the Indian market at the beginning of 2012. Looking forward, the intention is to include the test as part of the Indian Revised National TB Control Program (RNTCP) after additional clinical studies and Indian regulatory approval.

Genedrive™ enables a major advance in molecular diagnostic testing by providing a rapid (less than 30 minutes), low cost, simple to use device with high sensitivity and specificity applicable to a wide range of viral, bacterial, fungal and somatic mutation based disease areas. Genedrive™ will be targeted at identifying TB infection at an early stage, and given its size and capabilities especially lends itself to use in remote locations. Positioned as a handheld device, Genedrive™ brings a new ‘Point of Need’ approach to diagnostic testing across a broad spectrum of infectious diseases such as TB, HIV, Dengue Fever and a wide range of sexually transmitted diseases (STD’s).

The TB clinical evaluation programme is one of several clinical programmes currently ongoing to evaluate Genedrive™ across a wide range of diagnostic areas. Epistem expects to update on its other programmes over the coming months.

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Notes for editors

Epistem is a biotechnology company commercialising its expertise in epithelial stem cells in the areas of oncology, gastrointestinal and dermatological diseases. Epistem develops innovative therapeutics, biomarkers and diagnostics alongside providing contract research services to drug development companies. The Group’s core expertise is focused on the regulation of adult stem cells located in epithelial tissue, which includes the gastrointestinal tract, skin, hair follicles, breast and prostate.

Xcelris is one of India’s leading Genomics research and diagnostic testing company having expertise in Next Generation Sequencing (NGS) technology and novel diagnostic molecular diagnostic techniques. Xcelris offers Genomics and bioinformatics services to over 150 major research institutions and companies in India and abroad and participates in collaborative research with various bodies. With a focus on cutting-edge technology in the bioscience domain, Xcelris will partner with the Revised National TB Control Program (RNTCP) in India to offer innovative and easy-to-use diagnostic solutions to aid the TB prevention and treatment effort in India.