



EPISTEM TO PRESENT DETAILS OF ITS PROGRAMME WITH US NIH FOR THE SCREENING OF NOVEL AGENTS FOR BIODEFENCE APPLICATIONS AT MASCC SYMPOSIUM.

Epistem plc (LSE: EHP), the UK biotechnology company announced today that details of its US National Institute of Health's (NIH) programme for the screening of a number of novel agents, including potential oncology supportive care treatments, for biodefence applications will be presented at the Multinational Association of Supportive Care in Cancer (MASCC) International Symposium of Supportive Care in Houston, Texas, USA from 26th to 28th June 2008.

Epistem's Contract Research division provides scientific expertise and preclinical research models to the NIH's research programme on Medical Countermeasures Against Radiological and Nuclear Threats (MCART). This research programme, funded by the National Institute of Allergy and Infectious Diseases through a contract with the University of Maryland School of Medicine, tests drugs from early screening through advanced development for the prevention and treatment of radiation sickness following exposure to high dose radiation following a nuclear terrorist attack.

Epistem has developed its proprietary models to provide a unique insight into the mechanisms of intestinal damage and repair following radiation exposure. Epistem's models evaluate the efficacy, mechanism of action, optimal drug dosing and scheduling of potential new treatments. The company has previously developed similar preclinical models for use in anti-mucositis, inflammatory bowel disease and wound healing drug screening. These models are now widely used by a range of pharmaceutical and biotechnology companies.

The presentation will demonstrate the screening conditions that have been defined and in which drugs must demonstrate efficacy prior to further investment and development by MCART. An abstract can be viewed under 'latest news' on the Epistem website at www.epistem.co.uk.

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Notes to Editors:

About Epistem

Epistem is a biotechnology company commercialising its expertise in epithelial stem cells in the areas of oncology, gastrointestinal diseases and dermatological applications. Epistem develops innovative therapeutics and biomarkers and provides contract research services to drug development companies. The Group's 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. Epistem does not conduct research in the areas of embryonic stem cells or stem cell transplantation.

Epistem operates three distinct business divisions, Contract Research Services, Novel Therapies and Biomarkers.

Contract Research Services

Contract Research Services provides specialised preclinical efficacy testing primarily for drug development companies on a 'fee for service' basis. This division on a standalone basis is cash generative and profitable with a seven-year track record of providing testing services to over 90 international company clients primarily in Europe and the United States.

Novel Therapies

Novel Therapies is focused on developing its own innovative therapeutics. Through its discovery platform, Novel Therapies has identified 250 potential drug candidates, of which a subset are undergoing further evaluation and characterisation as stem cell regulators for the Group's emerging drug development pipeline.

Biomarkers

The emerging biomarker technology leverages the Company's knowledge of the behaviour of epithelial cells and drug-induced gene expression change to measure drug effects during treatment. Changes in gene expression can be detected within hours and at low levels of chemotherapy or radiation. The highly sensitive Biomarker technology is based on using mRNA extracted from the bulb of cells at the base of a single hair follicle as a minimally invasive process to measure gene expression changes in epithelial tissue.

Combined Business Model

Epistem is exploiting its combined business model to advance its own therapeutic candidates to late preclinical stage development. The business model integrates the discovery efforts of Novel Therapies with the efficacy testing assays of its Contract Research Services Division, to identify and characterise new drug candidates. Revenues generated by Contract Research Services and Biomarkers will assist in offsetting Novel Therapies' investment requirements for the discovery and development of its lead therapeutics. The Directors believe that licensing partnerships will be forthcoming across the therapeutics, biomarkers and discovery platform in 2008.