

Released 2nd September 2010

EPISTEM ANNOUNCE AGENCY AGREEMENT WITH VERITAS JAPAN

MANCHESTER, UNITED KINGDOM --(Marketwire- 02 September 2010) - Epistem plc (LSE: EHP), the UK biotechnology company, announced today that its Contract Research Services division has entered into an agreement with the Veritas Corporation to exclusively market and distribute Epistem's scientific research services in Japan.

Located in Manchester England, Epistem's contract research division provides specialised preclinical and scientific research services to drug development and personal care companies in the areas of oncology, mucositis, inflammatory bowel disease, wound healing and skincare. Epistem have an established customer base in Western Europe and the U.S and the Veritas agreement will provide Epistem with a sales and marketing presence in Japan and the opportunity to extend its research services, and respond rapidly to market demand.

Epistem's CEO Matthew Walls commented "We are delighted to be working with Veritas. They have a strong scientific sales team and established distribution network. The Japanese drug development market provides us with an important opportunity for growth and the agreement with Veritas will allow us to develop closer links with existing Japanese customers."

Sinsaku lida, Veritas CEO said "It is our great pleasure to work with Epistem. Epistem's Contract Research Division has a strong preclinical and scientific research service capability which will benefit Japanese pharmaceutical and personal care companies. Veritas' sales network has the scientific experience necessary to introduce Epistem's high quality services to potential Japanese customers and will make for more efficient marketing and easier access for Japanese customers to Epistem."

For further information on the Company, please visit www.epistem.co.uk and www.epistem.jp or contact:

Dr. Danielle Hargreaves

+44 (0)161 606 7258

Public Relations

+44 (0) 7920 815603



Epistem Plc.

Info@epistem.co.uk

Mike Wort / Anna Dunphy
Financial PR/IR De Facto Communications

+44 (0) 207 861 3838

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. The Company was originally formed in 2000 and this year celebrates its 10 year anniversary.

Epistem operates three distinct business divisions, Contract Research Services, Novel Therapies and Biomarkers. The Contract Research Services provides specialised preclinical efficacy testing primarily for drug development companies on a 'fee for service' basis. This division has a ten-year track record of providing testing services to over 130 international company clients in Europe, the United States and Japan.

About Veritas

Veritas (www.veritastk.co.jp) is a trusted distributor of cutting edge products from around the world to the Japanese life sciences research community. Established in 1972, Veritas has become well known for its superior technical support and knowledgeable sales and marketing staff. The Company provides services to life scientists working at pharmaceutical companies, university and national hospitals, research laboratories, government research laboratories, in vitro diagnostic reagent manufacturers, and clinical diagnostic testing laboratories. Veritas' customer database comprises 42,000 clients, with the Company handling over 18,000 products and having a network of over 140 local distributors. The Company represents over 20 overseas companies and has an ISO 9001 certified management system and temperature controlled warehouse. This provides complete customer satisfaction for advanced product distribution.