

HYALOSE AWARDED \$1.23 MILLION EDGE ENDOWMENT TO BUILD GLYCO-MANUFACTURING CENTER

Oklahoma City, OK & Austin, TX -- December 9, 2008-- Life sciences venture firm Emergent Technologies, Inc. (ETI) announced today that Hyalose, L.L.C., one of ETI's Oklahoma City-based portfolio companies, received approval from the EDGE Policy Board for a \$1.23 million grant to build a center for manufacturing hyaluronic acid (HA) and related glycosaminoglycans (GAG's) products. The products will be utilized to formulate clinical diagnostic tools and companion therapies. The center will be located in the Presbyterian Health Foundation's Research Park in Oklahoma City.

With a strong intellectual portfolio (IP) of 35 issued and 49 pending patents, Hyalose's technology has potential applications in multiple high-yield markets including the \$4 billion orthopedic biomaterial market¹ and the medical device coatings market, estimated at \$4.2 billion and expected to grow to over \$5 billion by 2010.² Hyalose also provides competitive advantages to a broader market of glycoengineering, including tissue engineering, estimated to be \$15 billion per year currently.³ As more medical and pharmaceutical uses for HA continue to emerge, the value of the technology continues to increase.

Thomas A. Harlan, Emergent Technologies President and CEO, commented, "We are very excited for Hyalose to receive the EDGE grant which will allow Hyalose to build a unique, one-of-a-kind, world class facility meeting Food and Drug Administration (FDA) requirements. For the last four years Hyalose has seeded the research community with HA products made in lab-scale batch processes. The community's recent discoveries in cancer research are resulting in orders for larger quantities and the new center will provide the capacity necessary for continued growth and development."

Hyalose Chief Scientist Dr. Paul DeAngelis, who is a professor at the University of Oklahoma Health Sciences Center (OUHSC), said, "The technology to produce these unique molecules was discovered at OUHSC and the current suite of products was developed in the Hyalose laboratory using company funding and an Oklahoma Advanced Research Support (OARS) grant from the Oklahoma Center for Advancement of Science and Technology (OCAST). The new Oklahoma Glyco-Manufacturing Center (OGC) will facilitate the advancement of research discoveries into clinical uses."

About EDGE (Economic Development Generating Excellence)

The State of Oklahoma's EDGE (Economic Development Generating Excellence) was developed to provide a blueprint for the state's future economic growth. The EDGE Endowment supports research and the transfer of innovation and technology to the private sector. The plan is for this strategic investment to transform Oklahoma into the "Research Capital of the Plains."

Research results will be directed toward innovation that will strengthen current Oklahoma businesses and create businesses that are likely to remain in the state. All key actions of the fund are focused on allowing Oklahoma to become a center of powerful research to support a vigorous economy that propels Oklahoma into a business leadership position.

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About Hyalose, L.L.C.

Hyalose, L.L.C. is a biotechnology company founded on technology developed by Chief Scientists Paul DeAngelis, Ph.D. and Paul Weigel, Ph.D., at the University of Oklahoma Health Sciences Center. Hyalose has developed unique capabilities for the recombinant production of hyaluronic acid both in bulk production using fermentation and in enzymatic synthesis where a very high level of control is possible in determining the exact molecule that is synthesized. Controlled enzymatic synthesis also enables the placement of other glycosaminoglycan sugars and unnatural sugars at precisely defined positions in the sugar chain creating new novel sugar compounds. The company has licensed several genes from different species of bacteria that synthesize hyaluronic acid. Hyalose is funded and managed by life sciences venture firm, Emergent Technologies, Inc. For more information, visit the company website at www.hyalose.com

About Emergent Technologies, Inc.

Emergent Technologies Inc. (ETI), founded in 1989 by Thomas A. Harlan, is a unique life sciences venture firm that forms and manages companies and funds that commercialize groundbreaking institutional and university-based technologies. ETI is a turnkey solution for converting university science into high return ventures. ETI works with regional economic development groups and universities to capitalize on what the firm describes as *invention capital*. In addition to the traditional venture capital approach of raising and investing funds, ETI drives the selection and expansion of each technology assets unique to their region. ETI is pioneering a unique business approach to investment in intellectual property, the key asset to most technology-based start-up companies. For more information, visit the company website www.etibio.com

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1. "Orthopedic Biomaterials: World Market," Kalorama Report, September 2007.
2. "Medical Device Coatings," BCC Research, November 12, 2008.
3. "Tissue Engineering: Technologies, Markets and Opportunities, 3rd Edition," Drug and Market Development Publishing, December 2001.

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