



EPISTEM TO RELEASE DATA ON ITS CANCER STEM CELL ASSAYS AT AACR

Epistem plc (LSE: EHP), the UK epithelial stem cell company, announced today that data on its cancer stem cell assays will be presented at the international meeting of the American Association for Cancer Research (AACR) at the San Diego Convention Centre, California, USA from 13th to 16th April 2008.
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It has been suggested that tumours are derived from a small subpopulation of "cancer stem cells". If these stem cells are not affected by a cancer therapy the treatment is only likely to be palliative and the tumour will re-grow. Epistem are currently developing and validating cancer stem cell assays to test the effect of novel cancer agents on this cell type to help identify more effective treatments.

The poster presentation will demonstrate that a key regulator of epithelial stem cells, discovered by Epistem's Novel Therapies Division, inhibits the growth of cancer stem cells. Epistem have assayed the protein in an in vitro cancer stem cell assay and have shown it to reduce the formation of breast cancer spheres (mammospheres) four-fold. Epistem's Contract Research Division also provides the cancer stem cell assay on a contract basis for other pharmaceutical and biotechnology companies.

An abstract can be viewed on the AACR website at www.aacr.org or 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 80 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 stem 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.