



Novocell is the Recipient of a Disease Team Award for \$20 Million from the California Institute for Regenerative Medicine to Develop a Stem Cell Therapy for the Treatment of Diabetes

San Diego, CA (October 28, 2009) – [Novocell, Inc.](#), a preclinical stage diabetes company, today announced that it will receive a Disease Team award totaling \$20 million from the California Institute for Regenerative Medicine (CIRM). The Disease Team includes a group of scientists at the University of California, San Francisco (UCSF), led by Dr. Jeff Bluestone, which is contracted to receive \$2.8 million. The funding will advance Novocell's development of a first in kind cellular therapy for the treatment of diabetes.

Novocell's proposal was selected for funding by CIRM's governing board, the Independent Citizens Oversight Committee (ICOC), with advisement from the Scientific and Medical Research Funding Working Group. "Novocell's proposal addresses an unmet medical need, contains compelling preliminary data in animals and is backed by a high quality team of scientists. It is the expectation that all Disease Team award recipients will be entering the clinic after the funding period. Novocell's systematic approach is expected to do just that, and as a consequence, CIRM and the ICOC decided to fund Novocell's efforts," said Alan Trounson, President of CIRM.

Nearly 25 million people in the United States are afflicted with diabetes. Many diabetics have loss of insulin secreting cells resulting in poor blood sugar regulation. Novocell is developing an alternative to insulin injections by producing cells that will secrete insulin in patients similar to the cells that were lost. "We thank California voters for approving Proposition 71, and CIRM and the ICOC for their support of our science and scientists. This award will substantially accelerate our progress, which will benefit millions of Americans," said John West, President & Chief Executive Officer of Novocell.

"We are grateful for the confidence in our scientific team and the continuing financial support of our development efforts. The successful development of a stem cell therapy to alleviate the suffering of millions of Americans afflicted with diabetes is our passion. With the funding assistance from the state of California we can deliver the first cellular treatment for diabetes," said Emmanuel Baetge, Ph.D., Principal Investigator & Chief Scientific Officer of Novocell.

About CIRM

CIRM was established in November, 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was overwhelmingly approved by voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research opportunities. For more information, please visit www.cirm.ca.gov.

About Novocell

Novocell is a preclinical therapeutic company focused on diabetes. Our therapy is based on the encapsulation and implantation of pancreatic beta cell progenitors (Pro-Islet-1) derived from human stem cells which secrete insulin in patients. Our goal is that Pro-Islet-1 can free both Type 1 and Type 2 diabetic patients from insulin dependence on a long term basis, while reducing or eliminating hypoglycemic, microvasculature and weight-mediated cardiovascular complications. Novocell is a private company headquartered in San Diego, California, with additional operations in Athens, Georgia.

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