Sernova's Novel Method Evaluates Islets Prior to Transplantation and Predicts Their Ability to Reverse Diabetes Post Transplantation

The Associated Press

Sernova Corp. ("Sernova" or the "Company") (TSX VENTURE: SVA) today announced the publication of a novel, sensitive and rapid method developed at Sernova to evaluate insulin-producing donor islets prior to transplant as a predictor of which transplants are most likely to reverse diabetes. Research findings were published in the journal Cell Transplantation.

"The publication of Sernova's novel method of evaluating islets further demonstrates our commitment in improving the treatment of patients with diabetes receiving islet transplantation," said Dr. Philip Toleikis, President and CEO of Sernova Corp. "Coupled with the advancement of our Phase I/II clinical study of our Cell Pouch for the treatment of Type-1 diabetes, Sernova is in line with its vision to advance technologies that will improve the lives of people living with chronic diseases such as diabetes."

A major consideration for any islet transplant is the quality or health of the islets being placed into the patient to treat insulin-dependent diabetes. This can be influenced by such factors as the condition of the donor, preservation technique and time to transplantation as well as factors involved in the isolation of the islets from the pancreas. A rapid pre-transplant predictive measure of islet quality would be beneficial to transplant surgeons to select the best islet preparations for transplantation.

The study compared the new method with various standard techniques for measuring islet function prior to transplantation, including among others insulin secretion following glucose stimulation, islet viability, presence of high energy metabolic molecules and factors such as islet size, number and volume of islets.

The predictor of islet graft function considers both the effects of islet oxygen consumption and islet size (islet index). When these two measures were combined and tested in mature porcine islets, the results showed establishment of a highly statistically significant predictor of future graft function (diabetes reversal) following transplantation into small animals.

Importantly, the study also established an effective oxygen consumption/islet index threshold value of diabetes reversal. The study found that none of the other measures of pre-transplant islet function predicted reversal of diabetes in animals. Sernova is evaluating this technique in humans using the standard portal vein delivery and in the current Phase I/II study of the Cell Pouch for islet

transplantation.

These important research findings have been published as a "fast track article" in an online publication of the peer reviewed journal, Cell Transplantation, in advance of print and can be found at the following address: http://www.ingentaconnect.com/content/cog/ct/pre-prints/ct0577pepper.

About The Cell Pouch

The Cell Pouch is a proprietary medical device that, following subcutaneous implantation, incorporates with tissue and microvessels forming a natural environment for transplantation of therapeutic cells. Multiple preclinical studies demonstrated the Cell Pouch to provide a safe environment for transplantation, as well as long-term efficacy of therapeutic cells. Sernova is currently conducting a Phase I/II human clinical study in patients with diabetes who will receive donor islets into the implanted Cell Pouch to assess safety and efficacy. Sernova's goals for the Cell Pouch for diabetes include providing a safe and natural site for islets to significantly increase the number of patients currently treated with intraportal delivery of donor islets and to provide a safe environment for virtually unlimited available sources of insulin-secreting cells such as insulin-producing stem cells and xenogeneic cells. This vision combined with local anti-rejection protection of the cells could enable millions of patients with insulin-dependent diabetes to be treated without limitation to availability of cells.

About Sernova

Sernova Corp. is a clinical stage health-sciences company focused on commercializing medical technologies. Sernova is currently developing a platform technology for a number of serious disease indications, starting with a novel treatment for insulin-dependent diabetes, using the novel Cell Pouch System for transplantation and long-term survival of therapeutic cells and its patented Sertolin cell technology which can provide an immune-protected local environment for therapeutic cells.

Forward Looking Information This release may contain forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Sernova believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of Sernova's management on the date such statements were made. Sernova expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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