CELLERANT
THERAPEUTICS

CELLERANT THERAPEUTICS RAISES $16 MILLION TO ADVANCE STEM CELL-BASED THERAPIES FOR LIFE-THREATENING DISEASES

- Series B proceeds to fund cancer, sickle cell and autoimmune programs -

PALO ALTO, Calif. – May 11, 2005 – Cellerant Therapeutics Inc. announced that it has raised $16 million in a series B financing led by Novel Bioventures. Participants in this round included George Rathmann and CX Venture Group. Allen & Company and MPM Capital were among the Series A stockholders who also invested in this financing.

"Cellerant represents one of the strongest and most impressive platforms and management teams for commercializing stem cell products," said Han Chiu, M.D., Managing Director of Novel Bioventures. "The company has significant near-term revenue opportunities and is attracting a rich pipeline of ever more exciting technologies and breakthroughs. Novel is pleased to have the opportunity to lead a company that has the seeds to become one if not "the" dominant player in the stem cell market, one of the most important and exciting development areas in biotechnology today."

"Cellerant is poised to take a leadership position in the emerging and high-profile stem cell industry with its strong scientific leadership in adult stem cells and enormous base of technology assets," stated George Rathmann, Chairman of the Company's Board of Directors. "Cellerant's hematopoietic stem cell (HSC) purification technology opens the door for widespread clinical use of adult-derived stem cells for indications where conventional drug therapy has failed."

"The proceeds from this financing will be used to accelerate commercial development of our HSC purification platform," said Bruce Cohen, Chief Executive Officer of Cellerant. "We also plan to initiate clinical trials for our first cell-based product – human Myeloid Progenitors for the treatment of radiation- and chemotherapy-induced neutropenia. We are extremely pleased to have support for our programs from such strong investors."

HSCs in cancer therapy

For many patients with difficult-to-treat forms of cancer, high dose chemotherapy and radiation may offer the only potential for survival. In order to help these patients recover from this intensive treatment, HSCs are harvested from the patient before therapy and later infused in order to regenerate the blood forming system. The blood forming system is the foundation of the human immune system and therefore the patient's ability to fight off disease and recover from injury. In the past, the clinical success of this strategy has been limited, in part due to the reintroduction of the patient's cancer cells which contaminate the rescue dose of stem cells. Cellerant's proprietary technology reduces the

number of cancer cells to below detectable levels, and thus may eliminate the risk of reintroducing cancer to the patient after effective chemotherapy.

HSCs in genetic blood disorders and autoimmune disease
Human and animal data show that many genetic blood disorders (such as sickle cell disease) and autoimmune diseases (lupus, Crohn's, rheumatoid arthritis, multiple sclerosis and type I diabetes) can be cured with hematopoietic stem cells from a donor who does not carry the genetic predisposition to the disease. Such procedures have been limited by the risk of graft-versus-host disease (GVHD), a potentially fatal complication caused by contaminating T-cells. Cellerant's cell purification platform eliminates T-cell contamination to below detectable levels, opening up the possibility of wider use of this curative therapy.

Human Myeloid Progenitors
Patients undergoing radiation and chemotherapy treatments for cancer frequently suffer from neutropenia, a condition characterized by a shortage of platelets and infection-fighting macrophages and neutrophils, making them vulnerable to internal bleeding and opportunistic infections. Similar effects are likely to occur to individuals who are exposed to high doses of radiation that might result from a terrorist attack on a nuclear power facility or the detonation of a nuclear weapon. Cellerant's human Myeloid Progenitors, a manufactured cell product derived from adult hematopoietic stem cells, have been shown in numerous animal models to be protective against both forms of neutropenia. The Company intends to initiate human clinical trials of this cell product in 2006.

About Novel Bioventures
Novel Bioventures is a San Diego based biotechnology fund that focuses on product-oriented biotechnology and biopharmaceutical companies with novel breakthrough products and technologies. Novel has seven investments to date including Cellerant. In addition to direct company investments, Novel also invests to a lesser extent in healthcare-focused venture funds and hedge funds, giving Novel a broader breadth of resources to draw from for its portfolio companies.

About Cellerant Therapeutics
Cellerant Therapeutics Inc. (www.cellerant.com) is developing and commercializing the use of hematopoietic (blood-forming) stem cell-based therapies for the curative treatment of a variety of cancers, genetic blood disorders and autoimmune diseases. The company's extensive portfolio of intellectual property and clinical assets are licensed from Novartis and Stanford University.

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