



PREDICTIVE BIOSCIENCES ANNOUNCES ACQUISITION OF ONCODIAGNOSTIC LABORATORY

Molecular Diagnostics Company Expands Capabilities with Commercial CLIA-Certified Lab; Strongly Positioned to Bring New Products to Market in 2010

January 7, 2010

Predictive Biosciences today announced that it has acquired Cleveland, Ohio based OncoDiagnostic Laboratory (“ODL”), a private, Clinical Laboratory Improvement Act (CLIA)-certified anatomic pathology and molecular diagnostics lab serving urologists, gastroenterologists, dermatologists, gynecologists, and other subspecialty physicians nationwide. This strategic acquisition provides Predictive with a fully integrated pathology laboratory through which the company will commercialize its proprietary non-invasive molecular cancer diagnostic assays. Financial terms of the agreement were not disclosed.

The acquisition of ODL represents a significant step forward in Predictive’s business plan, securing for the Company an established commercial operation and accelerating the launch of its high performance assays for improved cancer management. The first in Predictive’s portfolio of non-invasive assays is a urine-biomarker based test for the detection of bladder cancer, which the Company plans to make commercially available during 2010.

“ODL’s subspecialty expertise and national access to hundreds of urology practices including some of the largest group practices in the U.S., such as the Conrad|Pearson Clinic in Tennessee and the Arizona Urology Specialists, favorably position Predictive for launching our bladder cancer test as well as future diagnostic products. In light of ODL’s established national sales presence, its accomplished team of pathologists, history of innovation and consistent high marks for quality and customer service, we could not imagine a better, more mission-aligned partner to proceed with. We look forward to leveraging ODL’s urology focused sales organization to introduce our proprietary bladder cancer assay later this year,” stated Peter Klemm, Ph.D., president and chief executive officer for Predictive. He continued, “Importantly, Predictive and ODL share a common set of values – a commitment to innovation, customer service and patient care – and we are certain that these values will serve as a solid foundation for our merged company’s growth.”

ODL, which was founded in 1985 by a group of pathologists to better serve the growing needs of office-based urologists and other subspecialty physicians, will continue to operate from its Cleveland headquarters. ODL currently employs approximately 40 professionals, including an experienced national sales force that is supported by company pathologists, laboratory staff and customer service.

“ODL has long been one of the most innovative providers of anatomic pathology services, and we feel we have found a like-minded partner in Predictive. We are very enthusiastic about this merger, and the pioneering work that Predictive is doing to improve the diagnostic tools available to physicians,” stated Joseph Galang, chief executive officer for OncoDiagnostic. He continued, “We look forward to being able to offer Predictive’s unique biomarker assays that can help urologists confidently identify a patient’s risk for cancer in a non-invasive, relatively simple and highly reliable manner. We feel very fortunate to be partnering with a remarkably progressive company in this space.”

About Kaiser Permanente Ventures:

Kaiser Permanente Ventures, the corporate venture capital arm of Kaiser Permanente, makes investments in medical devices, healthcare services and information technology companies. Kaiser Permanente Ventures is dedicated to partnering with entrepreneurial companies to build innovative and enduring businesses that advance the quality and affordability of health care. Since its inception in 1997, Kaiser Permanente Ventures has invested in more than 25 venture-capital backed companies at all stages of development, and contributed organizational expertise, time and resources to the success of these companies. For additional information please visit www.kpventures.com.