

Press Release:

ZEN-BIO, INC AWARDED \$961,000 GRANT FROM NIH

Date: September 20, 2005

Zen-Bio, Inc a private closely held biotechnology company, today announced that it was awarded a 24 month \$961,578 Phase II SBIR grant from the National Institutes of Health. The phase II application was awarded after the successful completion of Zen-Bio's \$100,000 NIH Phase I award. The phase II grant was favorably reviewed by the NIH for both scientific merit and business strategy.

The grant will be used to fund the development and characterization of a human omental adipocyte cell system. "The human omental cell system is a novel research tool invaluable to human metabolic disease researchers," states Dr. Renee Lea-Currie, Zen- Bio's Director of Cell Biology and the grant's Principal Investigator. She went on to state, "Customers will be able to use our human cell system to evaluate potential new drugs and therapies as well as elucidate some of the basic functions of this highly metabolically active endocrine organ."

Richard Giersch, Zen-Bio's Chief Operating Officer added, "Multiple organizations in North Carolina and throughout the US are working with us on this exciting project. We have seen that the researchers using our cell systems are some of the most innovative thinkers in human health research. This is a big day for Zen-Bio" Giersch went on to state. "We are a small company that bootstrapped ourselves into existence with no venture financing and up until now, had to rely on our product revenues to drive research and other large projects. We are elated that the NIH has validated our scientific approach and our commercialization strategy. With this funding, Zen-Bio is plotting an exciting growth path over the coming years with plans to launch over two dozen innovative products that will provide the next generation of research tools for diabetes and obesity research."

Clinical research has shown the link between type 2 diabetes (NIDDM) and obesity involves the deep body fat depots (visceral depots such as omental fat) more than the fat under the skin (subcutaneous fat). The mechanisms responsible for this association are not clearly understood due to the lack of adequate discovery models. The Zen-Bio research program focuses on this link with the eventual goal of developing diagnostics and/or pre-clinical drug targets.

Zen-Bio, Inc.

Zen-Bio, Inc. is a leading provider of research tools for the study of human metabolic disease. The company, founded in 1995 has an established customer base of over 1000 and performs contract research for major pharmaceutical and biotechnology companies around the world. The company pioneered tissue engineering with adult adipose-derived stem cells and is currently researching the role obesity plays in the development and onset of metabolic disease. Its mission is to provide the highest quality cells, reagents and contract services to the biomedical research community; to develop and commercialize research tools; and to leverage our expertise in this field into successful treatments for metabolic diseases through research and development and strategic alliances. www.zen-bio.com or call (919)-321-4556 or e-mail Richard Giersch at richard@zen-bio.com.