



HEPREGEN CORPORATION RECEIVES SBIR PHASE II GRANT FROM THE NATIONAL SCIENCE FOUNDATION AND PRESENTS CORPORATE UPDATE AT ONEMED FORUM

New Grant Adds to Hepregen's Previous NIH Funding and Continued Development of the Company's Platform for Advanced Toxicity Screening and Drug Discovery

San Francisco, CA and Medford, MA, January 13, 2010 –Hepregen Corporation, a leading provider of bioengineered solutions for drug development, announced today that it has received a Phase II SBIR grant from the National Science Foundation for \$500,000. This latest award, in addition to the company's receipt of a prestigious Challenge Grant from the National Institutes of Health (NIH), along with earlier grant awards, approaches \$2.0M in federal funding.

Hepregen will also be a featured speaker this afternoon at OneMedForum, where CEO Bernadette (Bonnie) Fendrock will highlight the company's successful progress since its Series A financing in 2008 from Battelle Ventures, as well as outline important milestones for 2010 and beyond.

The SBIR Phase II grant received from the National Science Foundation will support Hepregen's project, "Development of a Human Liver Platform for High-Throughput Screening of Drug-Induced Liver Injury and Drug-Drug Interaction." The project is currently being lead by Dr. Salman Khetani, co-developer of Hepregen's platform technology and also Director of Research at the company. The grant, which initiates on January 15, 2010, as well as the previous Challenge grant from the NIH, will be contributors to the company's growth as Hepregen continues to develop its proprietary HepatoPaC™ technology.

Hepregen President and CEO Bonnie Fendrock, who cofounded the company, commented, "2009 was an exciting year at the company. With the Series A financing from Battelle Ventures in combination with our grant funding, Hepregen was able to execute on its business plan. Liver toxicity is a leading cause of preclinical failures of drugs, and we are working to validate that the unique HepatoPaC™ platform will enable pharmaceutical companies to improve predictivity, thereby reducing costs and clinical risks."

Eighty percent of all drugs are metabolized or detoxified in the liver; therefore, the safety of drugs as they travel through the liver is of prime importance to the pharmaceutical industry. Hepregen is developing a unique, bioengineered microliver platform as a highly functional model of the liver *in vivo*. The potential of Hepregen's HepatoPaC™ platform is to provide higher content data for faster, more-informed decision making, while offering significant value for the pharmaceutical industry.

CEO Bonnie Fendrock will be a featured speaker at the OneMedForum conference taking place on January 13-15, 2010 in San Francisco, CA. Ms. Fendrock will provide an overview of the company's technology platform, update on company progress and key milestones for 2010.

Who: Bernadette C. Fendrock (Bonnie), President and CEO

What: OneMed Forum 2010 Emerging Company Finance Conference

Where: Sir Francis Drake Hotel, San Francisco, CA 94102

When: Wednesday, January 13, 2010 at 1:50 p.m. PST

Website: <http://www.onemedplace.com/onemedforum/>

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About Hepregen Corporation

Hepregen's mission is to translate the value of its technology platform to improve the safety and efficacy of drugs in development with greater economic efficiency and significant impact on patients' lives. The company is focused on advancing and commercializing its micro liver platform, HepatoPaC™, into the drug-development pipeline of pharmaceutical and biotechnology companies. Hepregen's platform technology offers the potential to deliver a breakthrough technology for toxicity screening and a new platform for drug discovery. It combines sophisticated biological and engineering technologies to create an *in vitro* liver model which closely mimics many key functions of the human liver. In 2008, Battelle Ventures spun out Hepregen Corporation from the Massachusetts Institute of Technology (MIT), and led the company's Series A financing. For more information about Hepregen, please visit:

<http://www.hepregen.com/>.

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