

PRESS RELEASE

Q Chip Ltd and ARTES Biotechnology announce collaboration to development new sustained release formulations of Therapeutic Proteins

Cardiff and Langenfeld April 29th 2010 — Q Chip Ltd, a UK based biopharmaceutical company, and ARTES Biotechnology GmbH, a German biotechnology company, today announce that they have signed a Collaborative Agreement to explore the development of a new sustained release formulations of interferon alpha 2a for the treatment of chronic hepatitis B and C.

The collaboration aims to improve patient compliance and provide a more convenient dosing schedule compared with the current marketed pegylated therapies which require weekly administration. Q Chip will be developing a one month sustained release microsphere formulation. This first phase of the collaboration is expected to be completed by the end of 2010.

The study is designed to evaluate Q Chip's Q-Sphera™ peptide and protein delivery platform to develop a new sustained release microsphere composed of biocompatible polymers. The microsphere will be loaded with interferon alpha 2a manufactured from ARTES' proprietary yeast *Hansenula polymorpha* expression system. ARTES will supply interferon alpha 2a and Q Chip will formulate the Q-Sphera microspheres.

Q-Sphera™ is a highly enabling bio-encapsulation technology for the development of polymer based sustained release systems. No harsh solvents or manufacturing conditions are used in the production of drug (including peptides and proteins) loaded microspheres facilitating benign processing of labile molecules.

Hansenula based products are characterized by safety and cost efficiency superior to other microbial technologies. Interferon alpha 2a manufactured from *Hansenula* has proven to be better tolerated than the *E. coli* reference.

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Editor's Notes:

Q Chip Ltd – www.q-chip.com

Q Chip is a UK based biopharmaceutical company specialising in the development of sustained release peptide and protein therapeutics using its proprietary Q-Sphera™ bioencapsulation platform. In 2004 Q Chip developed the world's first fully-functioning MicroPlant™ platform for the production of commercial volumes of uniform, precisely-loaded microcapsules using a wide range of biocompatible polymers. Q Chip encapsulates pharmaceutical drugs into injectable microspheres for treatment of chronic diseases and cancers. Q Chip is developing two generic drugs, Q-Leuprolide and Q-Octreotide, for cancer treatment.

ARTES Biotechnology GmbH – www.artes-biotechnology.com

ARTES is a Germany-based biotechnology company specialized in recombinant protein production

from yeast expression systems. ARTES offers generation of optimized production cell lines and processes from the proprietary yeast expression systems *Hansenula polymorpha* and *Arxula adenivorans*. In addition to genetic engineering, the company provides fermentation and downstream process development, analytical assay development and production cell line characterization. ARTES operates worldwide from its 850 sqm S1 facilities in Langenfeld near Duesseldorf. The company focuses on contract R&D for white and red biotechnology products such as interferon alpha 2a, PEG- interferon alpha 2a and insulin.

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