For Immediate Release

EUR 1.0 Million Grant Awarded to Exosome Diagnostics and Ludwig Maximilian University from German Federal Ministry for Education and Research to Develop Biofluid-Derived Exosome Diagnostics

Grant Awarded Under the Leading-Edge Cluster program "m4 – Personalized Medicine and Targeted Therapies" to Drive Blood Exosome Gene Mutation Diagnostics in Cancer

MUNICH, Feb. 1, 2012 - Exosome Diagnostics GmbH, a subsidiary of Exosome Diagnostics, Inc., and the Department of Dermatology at the Ludwig Maximilian University (LMU) announces the awarding of a EUR one million grant from the German Federal Ministry for Education and Research (BMBF) to develop blood-based diagnostic tests from the stable RNA content accessible in plasma-derived exosomes. The grant will help fund development of exosome-based diagnostics technology to detect tumor specific mutations in the blood from patients with malignant cancer in order to enable monitoring of disease recurrence, aid therapy selection and possibly improve early tumor detection. The grant was awarded under the Leading-Edge Cluster Program "m4 – Personalized Medicine and Targeted Therapies".

Cancer tumor-specific somatic mutations such as those found in the RAF and RAS gene families will be investigated by coupling exosome-based technology with next-generation sequencing and qPCR instrument platforms. Exosome Diagnostics GmbH intends to offer clinical diagnostic tests developed under this project as a commercial laboratory service performed out of the Company's St. Paul, Minnesota, United States and Munich, Germany, cGLP laboratories.

"Exosome technology allows us to repeatedly interrogate tumor, inflammatory and immune response gene signatures in a minimally invasive manner," said James McCullough, chief executive officer, Exosome Diagnostics. "We are essentially looking for genetic needles in a haystack of biological material. By isolating exosomes we avoid a host of complicating factors, such as circulating enzymes, platelets, and other interfering factors, that are a significant detriment to achieving diagnostic sensitivity and reproducibility. "

Microvesicles, of which exosomes are a subset, contain large quantities of tumor-derived messenger RNA (mRNA) found in biofluids outside of tumor cells. Microvesicle mRNA, is of high quality and includes both small and large RNA molecules in multiple copies. The microvesicle/exosome population provides a stable

source of RNA in blood, urine and CSF that, when isolated and prepared properly, can produce high diagnostic sensitivity for key gene mutations and gene expression levels.

Exosome RNA biofluid diagnostic tests have potentially significant implications for disease identification, treatment and monitoring. In many cases, tumor tissue is difficult to attain and requires either a biopsy or a surgical procedure. Repeated blood and urine measurements are minimally invasive and can provide critical information on a tumor's genetic status over time, through the course of treatment and recurrence.

"I am very excited about this project," says Dr. Carola Berking, Professor of Dermatology at Ludwig Maximilians University. "The prospects of detecting specific cancer mutations by a fast and simple blood or urine sampling would be a major advancement and facilitate the whole procedure of personalized medicine starting from the decision to treat, which therapies to use, to the immediate monitoring of treatment effect."

To increase the capability of exosome-based technology, Exosome Diagnostics has been developing an ultra-deep, multiplexed sequencing method for use with mRNA from blood and urine exosome preparations. The ultra-deep sequencing method allows for high sensitivity detection of rare gene mutations upregulated into exosomes by cancer cells against a background of normal or "wild-type" genes. The massively parallel nature of next generation sequencing technology allows for hundreds of mutations to be interrogated simultaneously. Many of the mRNA targets to which exosome nucleic acid isolation and extraction technology is currently being applied are of importance in targeted molecular therapy clinical development programs.

About the Leading-Edge Cluster program "m4 – Personalized Medicine and Targeted Therapies"

The project is funded by the program "m4 – Personalized Medicine and Targeted Therapies" for which the Munich Biotech Cluster was awarded "Leading-Edge cluster status" by the German Federal Ministry of Research and Education (BMBF) in 2010. For a 5 year period, the program is funded with EUR 40 million from the BMBF, which are complemented by EUR 40 million from the participating companies in more than 40 cooperative R&D projects from industry and scientific institutions. The Bavarian Ministry of Economic Affairs, Infrastructure, Transport and Technology supports the cluster management agency Bio^{M} and particular components of the concept with an additional EUR 12 million. For more information please visit http://www.m4.de/

About Ludwig Maximilian University (LMU)

The Department of Dermatology and Allergology at the Ludwig Maximilian University of Munich (Dermatology at LMU) is one of the largest dermatology clinics in Europe and worldwide with more than 50 doctors, 155 beds, more than 90,000 outpatient visits and 5,500 inpatient visits per year. Each year more than 5,000 visits by melanoma patients are scheduled at the dermato-oncology department headed by Prof. Dr. med. Carola Berking. The treatments include surgical excisions, adjuvant therapy, systemic chemotherapy, radiation and immunotherapy. Further, many clinical trials are carried out at Dermatology at LMU offering patients experimental therapies such as BRAF/MEK/c-Kit inhibitors or ipilimumab. Prof. Berking acts as Principal Investigator on several such trials and is considered a Key Opinion Leader in the field. For more information please visit http://derma.klinikum.uni-muenchen.de

About Exosome Diagnostics

Exosome Diagnostics is a leading developer of biofluid-based molecular diagnostic tests for use in personalized medicine. Exosomes are shed into all biofluids, including blood, urine, and CSF, providing a stable source of intact, disease-specific nucleic acids. The Company's proprietary exosome technology makes use of this natural stability to achieve high sensitivity for rare gene transcripts and the expression of genes responsible for cancers and other diseases. The Company is commercializing *in-vitro* diagnostic tests for use in companion diagnostic applications and real-time monitoring of disease. The Company maintains facilities in New York, NY, St. Paul, MN and Munich/Martinsried, Germany. For more information, please visit www.exosomedx.com.

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