

Orcrist Bio Inc. Co-authors Groundbreaking Stem Cell Paper

Use of Endometrial Regenerative Cells to Help Avoid Amputation

Calgary, Alberta, August 19, 2008 – Orcrist Bio Inc. a biotech company developing stem cell-mobilizing pharmaceuticals, has co-authored a peer reviewed publication with Medistem Inc. (OTC BB: [MEDS.OB](#)) and collaborators at six academic institutions providing the first preclinical data supporting the therapeutic efficacy of Medistem’s new type of stem cell, called Endometrial Regenerative Cells (ERC).

The report describes how the administration of ERC’s was able to prevent loss of leg function in an animal equivalent of critical limb ischemia, an advanced form of peripheral artery disease that leads to more than 100,000 amputations per year. These positive preclinical efficacy data will support Medistem’s efforts at filing FDA-reviewed clinical trial applications. The study was published today in BioMedCentral’s open-access [Journal of Translational Medicine](#).

“Orcrist is pleased to have been part of this important study led by Medistem and the team of internationally renowned vascular and cardiac surgeons, and hematologists that was assembled,” said Gary Voncina, President and CEO of Orcrist.

“Our collaboration with Orcrist allows us to synergistically address complex biological problems to both companies’ mutual benefit,” said Thomas Ichim, CEO of Medistem. “Orcrist is working on mobilizing the body’s stem cells by pharmaceutical means, while Medistem is generating replacement stem cells as seen by the development and identification of ERCs.”

Orcrist’s lead drug product, HYC-750, is capable of expanding and mobilizing stem cells that are already present in the body, making it potentially valuable in treating numerous conditions that benefit from administration of stem cells, including critical limb ischemia.

About Orcrist Bio. Inc.

Orcrist Bio Inc. is a biotechnology company dedicated to developing and commercializing promising therapeutics for areas in which a clear market opportunity exists. Orcrist’s lead program revolves around HYC750, a novel stem cell mobilizer compound that promotes the egress of stem cells and other blood cells from the bone marrow into the blood, from which they can be harvested and applied toward treating chemotherapy-related white blood cell depletion. Orcrist is actively looking to add to its pipeline exploring the innate properties of HYC750 and its effects on stem cells, as well as through in-licensing opportunities of other products with clear market potential. Orcrist is located in Calgary, Alberta. The company is financed by its founders and by private investors. (<http://www.orcristbio.com>).

About Medistem Inc.

Medistem Inc. is a biotechnology company founded to develop and commercialize technologies related to adult stem cell extraction, manipulation, and use for treating inflammatory and degenerative diseases. The company's lead product, the endometrial regenerative cell (ERC), is a "universal donor" stem cell derived from the menstrual blood that possesses the ability to differentiate into nine tissue types, produce large quantities of growth factors, and a large proliferative capacity. Due to Medistem's relationships and collaborative efforts with respected institutions, Medistem believes it is well positioned to be a leading developer of adult stem cell products. (<http://www.medisteminc.com>).

Cautionary Statement

This document does not constitute an offer to sell or a solicitation of an offer to buy any of our securities. This document may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking information.

Factors which may cause actual results to differ from Medistem Inc.'s forward-looking statements are discussed in its Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission.