



## **FOR IMMEDIATE RELEASE:**

Contact: Robert Gravely  
Cryobanks International, Inc.  
Phone: 407-834-8333  
Fax: 407-834-3533  
RGravely@cryo-intl.com  
<http://www.cryo-intl.com>

### **Cryobanks International, Inc. Research Affiliates At the Center of Two Important Cord Blood Discoveries**

Altamonte Springs, FL (November 20, 2006) Reports published earlier this month support the increased diversity of the non-controversial umbilical cord blood stem cell. Researchers based at Newcastle University in the United Kingdom have grown an artificial mini-liver from umbilical cord blood stem cells. In a separate study scientists at the Clinical Cell Therapy Lab at the University of Minnesota report successfully differentiating cord blood cells into a type of lung cell called type II alveolar cells.

The Newcastle University finding in late October is considered a critical breakthrough towards creating a completely artificial liver. The importance of this finding for drug development is significant. Currently pharmaceutical companies use animal or human subjects to test treatments for liver diseases and ailments and in many cases the subjects suffer adverse reactions to the test drugs or therapies. Using cord blood stem cell derived mini-livers, pharmaceutical companies can test more applications and drugs without complications or adverse reactions of the testing subjects. The possibility of regenerating a new liver to replace one that has been damaged or destroyed by disease is now on the horizon.

According to the American Liver Foundation liver disease is among the ten major causes of death in the United States. They report that one in every ten Americans – 25 million – are/or have been afflicted with a liver, biliary or gallbladder disease. Chronic liver disease accounts for the death of 20,300 Americans each year and currently there are over 17,000 people awaiting a liver transplant.

Another significant finding came from researchers at the Clinical Cell Therapy Lab at the University of Minnesota, Fairview. Working with BioE Inc, St. Paul, MN. They reported successfully differentiating cord blood cells into a type of lung cell called type II alveolar cells. The research team cultured BioE's unique Multi-Line Progenitor Cell™ (MLPC™) differentiating it into the lung cells. The ability to grow this cell will greatly aid in the study and development of more affective treatments for various lung diseases such as cystic fibrosis.

More than 35 million Americans have an ongoing lung disease like asthma or chronic obstructive pulmonary disease (COPD). Combining all types of lung disease together it is the number three killer in the United States causing 1 in 7 deaths each year.

“These two discoveries are important additions to the growing list of uses and applications of non-controversial cord blood stem cells, a resource that is virtually limitless. This is further scientific proof that these cells can differentiate to become other than simply blood cells and opens an entirely new chapter in the umbilical cord blood stem cell story,” said Cryobanks International President and CEO, Dwight Brunoehler.

Newcastle University and University of Minnesota are leaders in the cord blood stem cell research and development field working on a number of studies and projects. In another project headed by BioE Inc., Cryobanks International, Inc., Newcastle and the University of Minnesota are research partners working to develop a new cord blood processing methodology.

“We are honored to be working with these fine institutions and BioE in a separate project that we believe will also have a significant impact on the developing cord blood banking field,” continued Mr. Brunoehler.

#### About Cryobanks:

Cryobanks International, Inc. is a corporation located in Altamonte Springs, FL., which is to be acquired by BioStem, Inc. (OTC BB: BTEM). The Company is a leader in the collection, processing, and banking of stem cells derived from the umbilical cord immediately after birth. The units of cord blood (CB) are processed and stored by the company for use in unrelated transplants (where the donor is a histocompatible match, but is anonymous and unrelated to the recipient) and for personal storage and use. In recent years, cord blood transplants (CBTs) have become widely recognized as a safe, effective, and in many ways preferable, alternative to bone marrow transplants (BMTs). There is tremendous potential need for CBTs in the United States and worldwide. Cryobanks International, Inc. is well poised to help meet that need, equipped with an inventory of over 9,000 cord blood units. For more information about Cryobanks International, Inc. call 1-800-869-8608 or visit the website at [www.cryo-intl.com](http://www.cryo-intl.com).

#### Safe Harbor Statement

This press release contains “forward-looking statements” by BioStem, Inc. These statements relate to future events or financial performance and transactions, and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements, to be materially different from those contemplated by the forward-looking statements. There can be no assurance that the acquisition described herein will successfully close. We undertake no ongoing obligation, other than that imposed by law, to update these statements. Factors that could affect results, levels of activity, performance or achievements and cause them to materially differ from those contained in the forward-looking statements include the failure to complete the acquisition of Cryobanks, and other factors that can be found in BioStem’s filings with the Securities and Exchange Commission, which can be found at [www.sec.gov](http://www.sec.gov).

###