Press Release

STEM CELL SCIENCES GRANTED UK PATENT FOR NEW GROWTH MEDIUM TO REVOLUTIONISE GROWTH OF AUTHENTIC EMBRYONIC STEM CELLS

("Stem Cell Sciences", "SCS")

9 July 2008

Stem Cell Sciences plc (AIM:STEM, ASX:STC) today announced that the UK Patent Office has granted it a patent covering the Company's new range of stem cell culture media. The new Culticell *i*STEM™ range uses the inhibitor based technology discovered by Professor Austin Smith and recently published in *Nature* (vol. 453, pp.519-523).

The culture media covered by this patent contain the key combination of two or three types of enzyme inhibitor. Professor Smith discovered that by inhibiting certain key enzymes in specific combinations, pluripotent (or embryonic) mouse stem cells can be grown reliably without feeder cells, growth factors, leukaemia inhibitory factor or serum.

The UK patent, number GB2436737B, covers any use of this media, and also the use of the media for culturing stem cells, especially pluripotent stem cells. This gives the Company the exclusive right to market cell culture media containing these inhibitor combinations.

"This remarkable breakthrough will change the way authentic embryonic stem cells are isolated and grown in the laboratory," commented Dr. Tim Allsopp, Chief Scientific Officer. "These new inhibitor-based media offer pharmaceutical companies and university researchers a simple and elegant way to minimise variability in their stem cell cultures. This has the potential to deliver significant advantages in terms of both scientific accuracy and cost," he added.

Dr Alastair Riddell, Chief Executive Officer of Stem Cell Sciences, commented, "This discovery represents both an important scientific breakthrough and an excellent market opportunity for Stem Cell Sciences. As the stem cell reagents market approaches US$100M annually growing at 20-25% per year, we believe that this product will make a significant impact on the sector that focuses on the study of basic stem cell biology and new strain isolation."

"Stem Cell Sciences as a matter of policy files its patent applications in all the major markets via the PCT (Patent Co-operation Treaty) procedure and in several other non PCT markets. The company expects to announce further grants in other territories in due course," he continued.

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Notes to Editors

Stem Cell Sciences plc (SCS, AIM:STEM, ASX:STC) specialises in developing and commercialising technologies to grow, differentiate and purify embryonic, neural and other tissue-specific stem cells. Our patented technologies, proprietary cells, and automated processes and services provide pharmaceutical and biotechnology companies with industrial-scale resources to accelerate drug discovery programmes and regenerative medicine therapies.

Stem Cell Sciences has multiple industry collaborations, including Millipore Corporation for the marketing and distribution of HEScGRO™, its serum free media for the growth of human embryonic stem cells, Merck & Co for the use of mouse neural stem cell technology for research applications and a collaboration in diabetes research with a major pharmaceutical company.

The company is headquartered in Cambridge, UK, in a new, fully equipped cell culture facility featuring state of the art automation for cell culture, with business offices in California (USA) and a research operation in Melbourne, Australia. For further information on the company please visit: **www.stemcellsciences.com**.