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Wayne, PA, February 20, 2003 - PharmaStem Therapeutics, Inc. and Stembanc, Inc. today announced that they have entered into an agreement under which Stembanc has obtained a license to PharmaStem's patent portfolio. PharmaStem is the successor to Biocyte Corporation, the pioneer in the development of umbilical cord and placental blood preservation and its therapeutic use. In recognition of its leadership, PharmaStem has received three U.S. patents to date: No. 5,004,681, issued on April 2, 1991; No. 5,192,553, issued on March 9, 1993, and No. 6,461,645 issued on October 8, 2002. Other patent applications are pending.

Archibald A. (Archie) Grabinski, President and CEO of Stembanc stated: "This patent portfolio complements our existing patent pending intellectual property exceptionally well. Stembanc is now uniquely positioned to assume leadership in the newborn stem cell banking industry."

"While we believe that the patented PharmaStem processes are needed for the successful reanimation of cryopreserved newborn stem cells, it is noteworthy that virtually all prior companies in this industry are operating without a license to use these critical technologies. Parents who entrust Stembanc with their child's precious, irreplaceable stem cells may be comfortable knowing that Stembanc is the only company in the industry that has operated from its inception with a license to use this vital technology."

"Newborn stem cells have the proven potential for lifesaving family therapeutic uses. However, potentially more significant are exciting recent advances in the field of regenerative medicine that point to the use of these stem cells as the future seed material for perfectly matched replacement tissues and organs for that newborn donor – thereby offering the possibility of very significant life extension."

"These scientific and technological developments have leapt ahead of business attempts at widespread commercialization of newborn stem cell cryopreservation technology. This is due both to the rapidity of the scientific developments and to the limited success of unlicensed companies to effectively reach and educate most expectant parents. Consequently, to the detriment of parents and their newborn children, these stem cells are typically discarded."

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“Stembanc is uniquely positioned to remedy this situation, thereby bringing forth a positive to society as well as opportunity to its shareholders.”

Stembanc, based in Cleveland, Ohio, is a pioneer in the widespread commercialization of technologically superior and ethically sound biological material cryopreservation.

The ‘681 and ‘553 patents have been asserted by PharmaStem in a lawsuit for patent infringement, filed on February 22, 2002, in the U.S. District Court for the District of Delaware. Named as defendants in the lawsuit are ViaCell, Inc., Cryo-Cell International, Inc. (NASDAQ-CCEL), CorCell, Inc., StemCyte, Inc., NuStem Technologies, Inc., CBR Systems, Inc. (also known as Cord Blood Registry, Inc.), Bio-Cell Inc., and Birthcells Technology, Inc.. Stembanc is not a defendant in the lawsuit.