



Axela Biosensors to be Commercial Partner with University of Toronto in \$7.8M Grant to Develop Patient Bedside Testing Devices

Toronto, Ontario – July 3, 2007 - Axela Biosensors, Inc. today announced that they will be a commercial partner in the University of Toronto's 'BioOptics: Transformative Technologies for Life Sciences Project' which was recently awarded a \$7.8M grant through the Research Excellence program of the Ontario Research Fund (ORF). BioOptics Project researchers are developing novel devices that will enable medical testing and treatment at a patient's bedside.

University of Toronto Department of Physics and Chemistry professors R. J. Dwayne Miller and Cynthia Goh and their teams will base these devices on a newly developed laser technology to diagnose and treat disease. These instrument platforms will detect trace amounts of specific proteins and other biological molecules in cells, observe how they interact with each other, and determine what factors lead to expression of certain proteins and disease states. "In the long term, our understanding of the detailed mechanisms underlying cellular functions is what will drive our ability to repair or prevent disease," said Dr. Miller. "The suite of technology platforms being developed under this grant will offer unprecedented new techniques of seeing what is going on inside cells. There is knowledge that exists in advanced research labs in the university that has traditionally taken far too long to reach end users and start making an impact. By focusing on commercialization and company partnerships from the start, the goal is to get our discoveries out into the 'real world' on a much shorter time scale." Discussing the point-of-care diagnostics aspect of the project, Miller noted that "when patient samples have to be sent out to a clinical lab for testing, the cost per test can be quite high and the turn-around time can be several days which delays diagnosis. The ability to perform bedside testing results in better, faster and lower-cost healthcare, and that's one of the advances we can offer, through our partnership with Axela, a company with a proven track record of successfully commercializing academic discoveries."

"Axela has taken technology developed at the University of Toronto and incorporated it into the dotLab™ System which is commercially available," said Rocky Ganske, President and CEO of Axela. "Diffractive Optics Technology (dot™) is being used to accelerate biomarker assay development in clinical research. The domain expertise relative to interactions between light-based technologies and biological molecules as well as other nanotechnologies within the University is a strong asset to Axela as we move forward with our development of novel diagnostic devices."

The ORF promotes scientific excellence by supporting research that can be developed into innovative goods and services that will boost Ontario's economy. Grants totaling \$115M were awarded to 26 world-class projects at universities, institutes and hospitals throughout Ontario, with the greater Toronto area receiving \$44M.

About Axela Biosensors, Inc.

Axela Biosensors provides products that accelerate the validation of protein biomarkers from discovery into routine clinical use. Axela's proprietary breakthrough technology, Diffractive Optics Technology (dot™), enables the real-time detection and quantitation of protein binding events in complex media. This technology has been incorporated into the dotLab™

System, a bench-top laboratory platform that delivers simple, affordable, yet highly sensitive protein based assays for clinical protein research. Axela is a privately-held company based in Toronto, Canada whose major investor is VenGrowth Private Equity Partners Inc., one of Canada's premier private equity managers. For more information, please visit www.axela.com.

For more information: Owen Gordon
Director, Finance & Corporate Development
Axela Biosensors
Phone: (416) 260-9050 x2243
E-mail: o.gordon@axelabiosensors.com