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Tethys Bioscience Announces Acquisition of Lipomics Technologies

Addition of metabolite technology uniquely positions company as it expands its line of predictive diagnostic tests

EMERYVILLE, CALIF – September 17, 2008 – Tethys Bioscience, Inc. announced today that it has acquired Lipomics Technologies of West Sacramento, Calif. The acquisition will be finalized today upon completion of customary closing conditions. Financial terms were not disclosed.

The acquisition brings together Lipomics' metabolite profiling technology with Tethys' proven expertise in the use of protein biomarkers to create novel tests capable of accurately predicting a person's likelihood of developing chronic diseases. Tethys launched its first such test – the PreDx™ Diabetes Risk Test – earlier this year, and is working to develop similar tests that will predict a person's likelihood of experiencing an osteoporotic bone fracture or a major cardiac event.

Integration of the Lipomics understanding of lipid biology with the Tethys protein biomarker analysis capability provides the Company with state-of-the-art technology as it extends its focus beyond diabetes. With this combination, Tethys is uniquely positioned to develop unprecedented insights into the biological mechanisms of a host of diseases.

"We are very excited to add this highly complementary expertise to our increasingly diversified technology portfolio," said Mickey Urdea, Tethys' founder, chairman and CEO. "We believe that the best solutions for predicting and thereby preventing a range of chronic conditions will come from the thoughtful integration

of multiple types of biomarkers – including proteins and metabolites. The addition of Lipomics furthers our goal of arming patients and physicians with insights that will help reduce the incidence of preventable chronic diseases.”

With completion of the acquisition today, full integration of the companies is well underway. Effective today, all 30 employees of Lipomics will become part of Tethys. Steven M. Watkins, PhD., co-founder, president and chief scientific officer of Lipomics, will assume the role of chief technology officer at Tethys. The Lipomics facility will continue its comprehensive and quantitative profiling of lipid metabolites as Tethys West Sacramento.

“From the moment we began discussions with Tethys, we were each struck by the complementary nature of our technologies, our core skills, and our sharp focus on addressing unmet clinical needs,” Watkins said. “The Lipomics team is delighted to become part of Tethys, and to bring our expertise to bear on advancing the field of predictive personalized medicine.”

About Tethys Bioscience

Tethys Bioscience is a predictive personalized medicine company developing novel tests which address the growing global healthcare challenge of chronic diseases such as diabetes. Founded in 2005, the company integrates an experienced management team, innovative research based on sound science, a CLIA-licensed clinical laboratory, and a commercialization team with extensive experience in diagnostic innovation. Our partnerships with world class researchers and our solid financial foundation will enable Tethys to help transform the management of chronic diseases by providing personalized, preventive solutions that aid every constituency: patients, doctors and the healthcare system as a whole.

About Lipomics

Lipomics Technologies provides industry-leading metabolic assessments for drug research, clinical diagnostics and personalized medicine. The Company's proprietary analytical technologies generate comprehensive, accurate and quantitative profiles of lipid metabolites. Lipomics delivers deep and rich

knowledge about biological and metabolic changes induced by disease, drug action, nutritional or lifestyle influences. In partnership with pharmaceutical, biotechnology, and nutrition companies, Lipomics uses its technologies to discover new diagnostic biomarkers, improve drug discovery, develop companion diagnostics and enable individualized health management.

About the PreDx™ Diabetes Risk Test

Tethys announced the expanded availability of its first predictive, personalized test – the PreDx Diabetes Risk Test -- in June. The PreDx Diabetes Risk Test is a first-of-its-kind predictive tool that delivers an accurate assessment of an individual's risk of developing Type 2 diabetes within the next five years. The test is performed exclusively by the Tethys Bioscience Clinical Laboratory on routinely collected blood samples.

The new blood test is designed to help physicians identify patients at highest risk of developing Type 2 diabetes so that they can promote lifestyle changes or initiate treatment plans to prevent or slow progression to Type 2 diabetes. Numerous studies have demonstrated that such interventions can reduce the incidence of new onset diabetes by 30-60%.

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