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**HemCon Medical Technologies Inc. to Acquire  
Alltracel Pharmaceuticals Plc**

*Innovative Companies Join Forces for New Product Development and Distribution*

**PORTLAND, Ore. and DUBLIN, Ireland – Feb. 22, 2008** – HemCon Medical Technologies Inc. today announced its intention to acquire Dublin, Ireland-based Alltracel Pharmaceuticals Plc in a cash-for-stock agreement. The acquisition, which is subject to the approval of Alltracel’s shareholders (and a number of other conditions including approval of the Irish High Court), is being implemented by means of a Scheme of Arrangement under applicable Irish legislation. The purchase is occurring through Castlerise Investments Limited., a newly formed, wholly owned subsidiary of HemCon Medical Technologies Inc. Post completion, Alltracel will operate as a wholly owned subsidiary of HemCon and maintain its headquarters in Dublin. The deal is anticipated to close in second quarter 2008 and combined projected revenues will exceed \$100MM (U.S. dollars).

HemCon developed the chitosan-based hemostatic HemCon<sup>®</sup> Bandages and ChitoFlex<sup>®</sup> dressings that are used by military and medical first responders as well as health care professionals around the globe. HemCon is also the manufacturer of the high-performance consumer bandage, KytoStat<sup>™</sup>, launching later this month.

Alltracel focuses on taking proprietary technology from research right through to commercialization in the global health care market, including private-label oral care products licensed in Europe through the Butler and GUM brands. The company also licenses technologies in cosmeceuticals, nutraceuticals and wound care. The agreement opens up distribution opportunities for HemCon’s KytoStat Bandage and other chitosan-based products in Europe and Alltracel’s oral care products and medical technologies in the U.S.

Post completion, the acquisition will provide HemCon access to Alltracel’s joint venture with Elmarco and its proprietary nanotechnology manufacturing process called Nanospider<sup>®</sup>. HemCon will seek to leverage this process to aggressively grow its market share in acute wound care products developed from chitosan.

“This agreement offers great opportunities for both companies as well as health care providers and consumers,” said John W. Morgan, president and CEO of HemCon. “HemCon and Alltracel are both focused on innovating and delivering the latest in medical technology to save and improve lives around the world. It is definitely a win-win-win opportunity.”

Bank of America N.A. will act as administrative agent and lead for the financing of this transaction.

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**About HemCon Medical Technologies Inc.**

HemCon Medical Technologies Inc., founded in 2001, develops, manufactures and markets innovative technologies to control bleeding and infection resulting from trauma or surgery. HemCon products are designed for use by military and civilian first responders as well as medical professionals in hospital, dental and clinical settings where rapid control of bleeding is of critical importance. The HemCon<sup>®</sup> Bandage was developed in collaboration with the Oregon Medical Laser Center and Providence St. Vincent's Hospital. HemCon's manufacturing and corporate headquarters are located in Portland, Ore. For more information, please visit [www.hemcon.com](http://www.hemcon.com).

**About Alltracel Pharmaceuticals**

Alltracel, (AIM: AP.L) ([www.alltracel.com](http://www.alltracel.com)) the Healthcare Innovation Group is focused on taking proprietary technology from research right through to commercialization in the global healthcare market. With corporate headquarters in Dublin, Ireland; Alltracel has commercial offices in London, England and Cologne, Germany; R&D subsidiary in the Czech Republic and manufacturing facilities in Shenzhen, China. Alltracel also has a wide network of research, development and manufacturing partners in Europe, Asia and North America.

Alltracel operates via two main divisions:

Alltracel Healthcare Group is focused on the commercialization effort behind proven innovative technologies and services for the global health care market. It has a range of stake holdings, joint ventures and wholly owned business units operating in healthcare categories including wound care, oral care, dermal health and cardiovascular health.

Alltracel Healthcare Technologies specializes in innovation, research, development and the deployment of proprietary technology in the global health care market. The company has established a substantial intellectual property portfolio with patents in a number of health care applications areas such as wound care, cardiovascular health and skin care.

The directors of HemCon accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of HemCon (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any person who is the holder of 1 percent or more of any class of shares in Alltracel may be required to make disclosures pursuant to Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007.

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