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Predictive Biosciences Closes \$21.75 Million in Series B Financing

Leading Syndicate of New and Existing Investors Support Development of Non-Invasive Cancer Diagnostics

LEXINGTON, MA and SAN DIEGO, CA – October 16, 2008 – Predictive Biosciences, an emerging molecular diagnostics company developing non-invasive diagnostic products for *informed cancer management*[™], today announced the closing of a \$21.75 million Series B financing. The financing was led by new investor New Enterprise Associates (NEA), a leading global healthcare and technology venture capital firm, with additional new participation from Kaiser Permanente Ventures, an investment arm of Kaiser Permanente, America's leading integrated healthcare delivery system. In addition, the existing investors from the company's \$10 million Series A financing, Flybridge Capital Partners and Highland Capital Partners, participated in the Series B raise. In conjunction with this financing, Predictive Biosciences has appointed to its board of directors M. James Barrett, Ph.D., general partner with NEA, as well as Jordan Kramer, senior venture manager at Kaiser Permanente Ventures, as a board observer.

“The completion of this financing ensures on-track development of our innovative urine-based diagnostic assays designed to enable physicians to conveniently and reliably determine the presence or absence of cancer,” stated Peter Klemm, Ph.D., president and chief executive officer of Predictive Biosciences. “Over the coming months, we will continue to execute our clinical development and commercialization plans, and complete preparations to launch a multi-center clinical trial in bladder cancer recurrence patients.”

Predictive intends to use the proceeds from the Series B financing to complete current clinical validation studies and initiate multi-center clinical trials. Predictive's biomarkers are applicable across multiple cancer types and it is initially focused on diagnostic applications in bladder cancer. The company is also exploring the application of its assays in breast, prostate, ovarian and colorectal cancers. In addition, the funds will support the company's efforts to open an independent Clinical Laboratory Improvement Amendments (CLIA) compliant lab for diagnostic testing.

Mara Aspinall, chairman of the Predictive board of directors and former president, Genzyme Genetics, commented, “I would like to welcome NEA and Kaiser Permanente Ventures as the most recent additions to Predictive's solid base of committed investors and I look forward to working with Dr. Barrett and Mr. Kramer on the board of directors. I believe their individual experience and perspective will prove very valuable as the company continues to advance.”

“We are very impressed with Predictive Biosciences’ strategic approach to diagnostics, the track record of the management team and the speed with which the company has demonstrated its ability to apply its novel technology platform across multiple types of cancer,” commented M. James Barrett, Ph.D., general partner with NEA. “As the company enters its next phase of growth, I look forward to working with the board to further advance Predictive’s novel clinical and lab technologies.”

Jordan Kramer, senior venture manager at Kaiser Permanente Ventures noted, “Kaiser Permanente Ventures looks to emerging companies and entrepreneurial management teams that we believe best represent advancements in quality clinical practice, service, and affordability. We support companies like Predictive that have a goal of continued progress toward delivering highly accurate and convenient diagnostic tests, which will allow physicians to create personalized follow-up and treatment plans.”

About Predictive Biosciences

Leveraging its portfolio of patented biomarkers and clinical algorithms, Predictive Biosciences is pioneering intervention diagnostic assays for *informed cancer management*[™]. Predictive Biosciences’ tests will enable physicians to reliably determine the presence or absence of cancer. This information, incorporated into current standard clinical practice, should lead to more effective utilization of existing diagnostic tools and ultimately better outcomes for patients. Predictive Biosciences’ first assays are designed to detect urinary biomarkers fundamentally associated with the physiological changes resulting from cancer development and progression. The initial focus for these tests will be the growing cancer survivor population and the large number of individuals undergoing clinical workups for cancer. Predictive Biosciences was launched in 2006 and is privately funded by Highland Capital Partners, Flybridge Capital Partners, New Enterprise Associates and Kaiser Permanente Ventures. For more information and partnership inquiries, visit Predictive Biosciences’ website at www.predictivebiosci.com.

About Flybridge Capital Partners

Flybridge Capital Partners is an early-stage venture capital firm whose mission is to assist talented entrepreneurs in growing innovative, global companies. With \$560 million under management, the firm is focused on investing in consumer, healthcare and information technology markets and is led by a team with domain expertise and more than half a century of combined experience in venture capital. For more information, visit www.flybridge.com

About Highland Capital Partners

Highland Capital Partners was founded with the mission of helping great people build great companies. Since its inception in 1988, the firm has taken a sector-focused approach to investing in exceptional healthcare, internet & digital media, technology and consumer companies. With \$3 billion of committed capital and offices in Boston, Silicon Valley, Shanghai and Geneva, Highland has invested in and worked to create such firms as Ask Jeeves, Avid Technology, CheckFree, Conor Medsystems, EXACT Sciences, Helicos BioSciences, Lycos, MapQuest, Mitotix, Ocular Networks, Odyssey Healthcare, Origin MedSystems, Quigo, Renal Treatment Centers, Starent Networks, Sybase, US Labs and VistaPrint. For more information, visit Highland’s web site at www.hcp.com.

About Kaiser Permanente Ventures

Kaiser Permanente Ventures, the corporate venture capital arm of Kaiser Permanente, makes investments in medical devices, healthcare services, and information technology companies. Kaiser Permanente Ventures is dedicated to partnering with entrepreneurial companies to build innovative and enduring businesses that advance the quality and affordability of health care. Since its inception in 1997, Kaiser Permanente Ventures has invested in more than 25 venture-capital backed companies at all stages of development, and contributed organizational expertise, time, and resources to the success of these companies. For additional information please visit www.kpventures.com.

About New Enterprise Associates

New Enterprise Associates, Inc. (NEA) is a leading venture capital firm focused on helping entrepreneurs create and build major new enterprises that use technology to improve the way we live, work and play. Since its founding in 1978, the firm has followed the same core principles: supporting its entrepreneurs, providing an excellent return to its limited partners, and practicing its profession with the highest standards and respect. Through its affiliated funds, NEA focuses on investments at all stages of a company's development, from seed stage through IPO. With approximately \$8.5 billion in committed capital, NEA's experienced management team has invested in over 600 companies, of which more than 160 have gone public and more than 240 have been acquired. NEA has U.S. offices in Chevy Chase, Maryland; Menlo Park, California; and Baltimore, Maryland. In addition, New Enterprise Associates (India) Pvt. Ltd. has an office in Bangalore, India and New Enterprise Associates (Beijing), Ltd. has offices in Beijing and Shanghai, China. For additional information, visit www.nea.com.

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