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Entelos & Diabetech Collaborate on Next-Generation Virtual-Loop Technology for Type 1 Diabetes

Companies Initiate Clinical Trial

Foster City, CA and Dallas, TX, April 14, 2005 – Entelos, Inc. and Diabetech, LP announced today a collaboration to combine their respective PhysioLab® and GlucoDYNAMIX™ system capabilities to improve outcomes for people living and working with type 1 diabetes, including accelerating the development of an artificial pancreas.

"Entelos and Diabetech have come together to combine two cutting-edge, high-tech solutions to solve a very complex problem," stated Mikhail Gishizky, Ph.D., Chief Scientific Officer for Entelos. "Creating a technology which can replicate a physiological process such as beta cell regulation in the pancreas is a huge challenge. By using our combined capabilities to connect 'virtual patients' to real patients in real-time, we expect to accelerate the development of a patient-specific artificial pancreas."

The Virtual-Loop™ simplifies the collection, storage, and analysis of patient data by connecting devices, people, and remote computer systems in real-time wherever they might be. Using Diabetech®'s GlucoMON wireless glucose meter and the GlucoDYNAMIX diabetes intervention system, clinical trial studies are documenting the benefits of automated access to real-time physiological data as a way to improve disease management and patient care. This real-time feedback is particularly significant for those patients just beginning insulin therapy. An optional patient-centric feature of this state-of-the-art technology allows a parent or family member to remotely monitor their loved one's health knowing first if the person with diabetes is indeed checking their blood sugar and secondly if their blood sugar is at an appropriate level.

The Entelos® Metabolism PhysioLab platform is a large-scale, mathematical model of human metabolism describing carbohydrate, lipid, and amino acid metabolism and includes detailed representations of gastric emptying, intestinal nutrient absorption, and pancreatic hormone (*i.e.*, insulin) release, as well as nutrient uptake, release, utilization, and storage in muscle, adipose, liver, and other tissues. Within this platform, Entelos researchers have created over 125 diverse 'virtual patients,' including insulin resistant and diabetic patient types. The Metabolism PhysioLab platform can be used to create insulin-dependent diabetic patients to represent

individuals with type 1 diabetes and to predict human response to therapeutic intervention, including administration of both short and long-acting insulin.

The two companies will initiate a clinical trial to investigate the combined use of both device and platform within a Virtual-Loop system to provide not only real-time monitoring and feedback, but predict insulin requirements to better maintain glucose control. Research has shown that tighter control of a patient's glucose level, immediately following diagnosis, helps to protect the beta cells and thereby extend the body's own ability to produce insulin. Further, short of a cure, the hope of many people with diabetes is to automate the process of blood sugar sensing and insulin administration through a 'closed-loop' system – basically, an artificial pancreas. The Entelos and Diabetech effort will focus on creating a more intelligent wireless version of the closed-loop system. This approach will enable immediate improvement in glucose control for type 1 diabetes patients, as well as real-time and historical patient data to improve overall disease management and health outcomes.

"It's a natural fit," says Eric Link, Chief Technology Officer for Diabetech. "Bringing together the predictive capability of the PhysioLab platform with the real-time monitoring of the GlucoMON system combines the best of the best. While it may take years to perfect an artificial pancreas, in the short term we expect this collaboration will help patients extend their own beta cell function through better glucose control."

Type 1 diabetes is an auto-immune disease that affects almost two million people in the U.S. alone. The disease arises from the auto-immune destruction of islet beta-cells in the pancreas, leading to the failure to produce insulin which causes a loss of glucose control. The current treatment for type 1 diabetes is the daily injection of insulin.

Entelos, Inc. (www.entelos.com) is a biopharmaceutical company employing our breakthrough PhysioLab technology – sophisticated, state-of-the-art, mathematical models of human disease – to: (1) establish a proprietary product pipeline in metabolic and inflammatory diseases and (2) speed those products to market by streamlining the pre-clinical and clinical development phases. Additionally, Entelos offers its research capabilities through external collaborations with biotechnology and pharmaceutical companies to enhance that partner's drug discovery and development efforts and to expedite their therapeutics to the market. Our mission is to dramatically improve how medicines are discovered and developed, and bring to market novel therapies to treat diseases with significant unmet medical needs.

About Diabetech (www.diabetech.net) Diabetech is an award winning diabetes technology company based in downtown Dallas, Texas. Diabetech manufactures wireless medical devices, operates service provider infrastructure, accelerates scientific predictive metabolic algorithm research and delivers a fully managed real time clinical management service.