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FROST & SULLIVAN MARKET STUDY GIVES “THUMBS UP” FOR  
PEPEX™ TRIO™ ONE-CLICK™ BLOOD GLUCOSE METER  
*Research Claims Pepex’ Technology Has Potential As A New Standard*

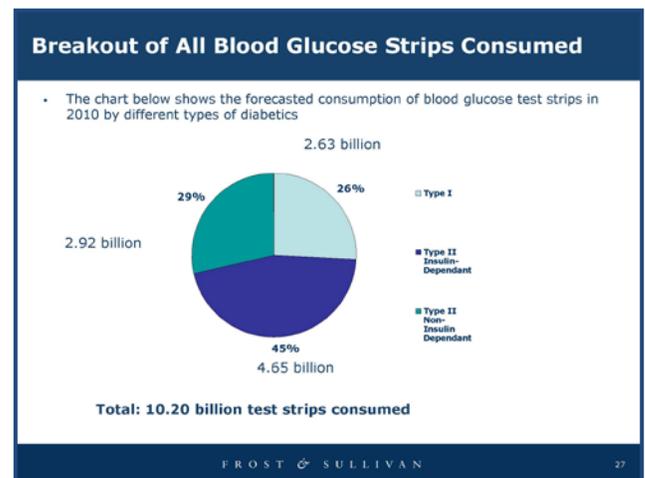
St. Louis, Missouri – July 15, 2009 – Today, research firm Frost & Sullivan, a leading international healthcare consulting company, released a market study analyzing and estimating the demand for Pepex Biomedical Inc.’s new biosensor technology for blood glucose monitoring for diabetes sufferers worldwide. The researchers interviewed diagnosed diabetics, diabetes educators, endocrinologists, and manufacturers of biosensors, blood glucose meters, or other clinical diagnostic or patient monitoring equipment suppliers for the study. The Frost & Sullivan report concluded that the Pepex Trio technology has the “potential as a new standard for measuring blood glucose levels.”

The analysts noted three areas of opportunity for innovation in their review of diabetes monitoring:

- Improved meter accuracy and reliability to assure proper insulin dosages
- Ease of use for improved testing compliance
- Reduction in the cost of the commonly used single-use disposable test strips

Additional needs are the users’ desire for improved meter convenience, minimizing operator technique, increased speed of results and a compact meter size because many diabetics are required to carry their meters for around-the-clock testing.

Frost & Sullivan commented that, “Pepex is well-positioned to capitalize on (these needs) with a truly novel approach that may improve accuracy of readings and also provide other benefits to patients in terms of ease-of-use and lower costs.” This is important because, “Recently, the FDA petitioned the International Organization for Standardization to change the allowable error rate for BGMs, currently at  $\pm 20$  percent, to be more accurate. The wide error rate has been a concern for many years as it can leave patients vulnerable to hypo and hyperglycemic episodes.” The American Association of Clinical Endocrinologists formally asked the FDA to act on this issue, “Because of the highly variable quality of the meters and the glucose testing strips in widespread use, the safety of our patients who depend upon those meters is threatened.”



2010 Blood Glucose Meter Test Strip Market

Pepex CEO, Steve Collins, offered, “We expect the company’s game-changing biosensor technology, packaged within our easy to use, one-button blood glucose meter, to deliver the accuracy required to meet or exceed future FDA standards. Trio’s unique sensor design minimizes operator technique which can lead to user errors and affect the accuracy of glucose readings.”



Approximately 60% of diabetics interviewed for the research said they would definitely replace their current meters with the Pepex Trio for the new technology's accuracy and convenience benefits. As a result, Frost & Sullivan estimates that Pepex has a significant 5 year revenue opportunity, in the blood glucose monitoring market segment. In addition, the breakthrough electrochemical biosensors are applicable to a variety of additional markets outside of glucose.

Pepex is a privately held a medical device company specializing in the development, manufacturing, and marketing of disposable, miniaturized electrochemical biosensors. The company protects its market opportunities with 64 patents which encompass a broad spectrum of proprietary technology including: sensor chemistry and architecture, wireless sensor communications and laser welding manufacturing processes. Pepex biosensors are the heart of a pipeline of life altering products for medical diagnostics and intervention. The company is led by a team of business and scientific professionals experienced in the biomedical field and populated by a development staff with a successful track record of delivering next generation biomedical devices to market. For more information, please visit [www.pepex.com](http://www.pepex.com).

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