

BioPhausia

PRESS RELEASE

Biophausia halts development costs

At a meeting held on June 14, 1999, the Board of Biophausia discussed the company's future strategy.

In an analysis of the present situation, the value of Krillase for wound cleansing is deemed to be negligible based on current negotiations.

RescueFlow is expected to generate revenue in the future, but this requires intermediate financing to gain sufficient time for negotiations and to start sales.

Most of the personnel will be released as soon as possible using the funds now available.

The Board's work will also continue to focus on protecting the approximately 4,000 shareholders' value in order to secure in the best manner possible the values that exist in, among other assets, the company's projects, patents, scientific documentation and networks. In addition, the company has liquid funds amounting to SEK 12.4 M, plus accumulated loss carry-forwards of about SEK 133 M.

Uppsala, June 15, 1999

For further information, contact Johannes Norrby, Board Chairman, +46 (0)707-87 54 63.

In a press release on June 16 the Company announced that Ernst Feldtström has been elected new President of the Company.

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