



Press Release, 12 March 2009

Information about Notification for Subscription of Diamyd shares upon exercise of warrant DIAM TO 2B

Notification for subscription of shares supported by the warrant Diamyd Medical TO 2B shall take place between March 16 and April 17, 2009. If the warrant is not exercised within the period stated above, it will expire without value.

In April 2008 Diamyd Medical issued 991,000 subscription warrants in connection with a directed placement. The warrants are traded on the market place First North under the name DIAM TO 2B. The last day to trade the options on First North is April 8, 2009. Holding of one (1) warrant entitles the owner to subscribe to one (1) new series B share in Diamyd Medical AB at a price of SEK 100 per share during the period March 16 to April 17, 2009.

The **Notification form** for subscription of shares supported by the warrant DIAM TO 2B can be downloaded from the Company's website at www.diamyd.com, or be ordered by phone from NASDAQ OMX at +46 (0)8-405 7678. Funds are due upon submission of the Notification form. All instructions can be found on the Notification form.

Please note that only holders of warrants registered in securities accounts (VP accounts) can subscribe for shares using this notification form. If your options are registered in the name of a trustee, please contact your trustee.

Interim shares will be provided once NASDAQ OMX has received both the notification and the subscription funds. The interim shares will not be listed for trading. The new shares are expected to be available for trading one to two weeks after the final subscription date of April 17.

For administrative questions about the subscription procedure, please contact:

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For additional information, please contact:

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This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.

Diamyd Medical is a Swedish biopharmaceutical company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and its complications. The company's most advanced project is the GAD-based drug Diamyd® for type 1 diabetes. Phase III trials for this drug are in progress in both the US and Europe. In addition, the Company has initiated clinical studies in the US in the area of chronic pain, using its Nerve Targeting Drug Delivery System. The Company has also out-licensed the use of GAD for the treatment of Parkinson's disease.

Diamyd Medical has offices in Sweden and the US. Its shares are listed on the OMX Stockholm Nordic Exchange (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink Sheets and the Bank of New York (PAL). Further information is available on the company's website; www.diamyd.com.

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(www.omxnordicexchange.com ticker: DIAM B; www.otcqx.com ticker: DMYDY)