

SCN Signs LOI for Sale of Immulina Rights

Scandinavian Clinical Nutrition AB (SCN) has entered into a Letter of Intent (LOI) with PhytoLab Solutions, Inc. part of the Lifequest group, outlining the intended sale of certain rights to the product Immulina. The LOI also extends the standstill agreement regarding PhytoLab Solutions' option to acquire the SCN subsidiary containing the rights to Immulina, against a further upfront consideration of USD 1 million.

"I am pleased we have reached this first step in the negotiation stage with Lifequest regarding the sale of rights to Immulina. The LOI gives both parties a framework to base our ongoing negotiations on, which are taking place in a very constructive manner. At the same time, we must recognize that the current financial environment is a limiting factor in this equation. By reaching the LOI and formally extending the option, both of which can be terminated at any time by either party, we want to support Lifequest in facilitating an agreement", says Danilo Copiz, VP Sales, who is leading the negotiations on behalf of SCN.

"Both SCN and Lifequest are very positive about reaching an agreement, and I look forward to continuing the negotiations", says Anthony Jurak, founder, CEO and Chairman of Lifequest.

SCN has previously granted the American company PhytoLab Solutions, Inc. a world-wide exclusive distribution license for sales of Immulina through a partnership agreement. SCN has also granted PhytoLab Solutions the right to acquire Nordic Immotech ApS, the SCN subsidiary with the world-wide exclusive rights to Immulina, for USD 13 million, through an option and share purchase agreement.

In December, 2008, SCN agreed to extend the option until March 31, 2009, against an upfront consideration of USD 1 million in Lifequest shares. The LOI at hand again extends the duration of the option agreement for another USD 1 million in Lifequest shares at the same valuation.

SCN has sub-licensed the rights to Immulina from PhytoLab Solutions to commercialize Immulina on selected markets in Europe, Russia, CIS, Turkey, South Africa and Brazil. The product is currently sold on 8 markets world-wide, including USA.

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Scandinavian Clinical Nutrition AB (publ) works in R&D and distribution of clinically tested, scientifically documented products within the field of nutrition (nutraceuticals). Established in 2006, SCN maintains a product portfolio with established trademarks, such as CUUR, Coldizin, Immulina, Membra7 and Ledactin. Core competence and strategic alliances, within both R&D and sales, in combination with innovative and clinically proven products, create good conditions for profitable growth both in Sweden and internationally. The shares of SCN are traded under the ticker "SCN" on Oslo Axess (www.osloaxess.no) and NGM Equity (www.ngm.se).For more information, please visit www.scnutrition.com.