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SOURCE MDx VALIDATES MOLECULAR DIAGNOSTIC TEST TO IMPROVE THE DIAGNOSIS OF PROSTATE CANCER AS COMPARED WITH PSA TESTING ALONE, SHOWING THE POTENTIAL TO REDUCE NEED FOR BIOPSIES

— Data supports using blood RNA transcript tests to more accurately diagnose prostate cancer with great cost savings potential for the healthcare system—

Orlando, Fla., June 1, 2009 — Researchers from the Dana-Farber Cancer Institute and Source MDx presented at the annual meeting of the American Society of Clinical Oncology (ASCO) results from a large study demonstrating that the company's whole-blood based six gene test plus PSA significantly improved diagnostic accuracy for prostate cancer when compared with age-adjusted prostate specific antigen (PSA) alone. In the two year prospective study of 484 men, the six-gene test plus PSA demonstrated sensitivity and specificity greater than 90% in discriminating prostate cancer patients from healthy normal subjects. Earlier studies suggest that the conventional PSA test is 60-70 percent accurate in detecting cancer.. More accurate diagnoses of prostate cancer could potentially lead to substantial healthcare savings from a reduction in the more than one million prostate biopsies that are negative for cancer in the US, currently estimated to cost over \$2 billion annually.

"This test potentially represents part of the solution to the current healthcare crisis by both improving patient outcomes and lowering costs to the healthcare system," stated Karl Wassmann, Chief Executive Officer of Source MDx. "We are finalizing a multicenter clinical trial of 1,000 men, planned to begin in several months, and are currently discussing potential commercial licensing of this, the first of our family of prognostic, predictive and early detection oncology tests, with leading diagnostic companies."

This study builds on the strength of Source MDx's approach to developing a family of molecular diagnostic tools for prostate cancer. The Precision Profile™ diagnostic test for prostate cancer uses whole blood to measure RNA transcripts for six cancer and immune related genes. A previous study at the ASCO Genitourinary Symposium in February, also presented by Dana-Farber researchers, demonstrated that another Source MDx diagnostic test predicted survival in men with castration-resistant prostate cancer, suggesting a potential tool to better stratify patients by aggressiveness of disease.

The study, conducted by the Dana-Farber Cancer Institute, was presented by Drs. William Oh, M.D., clinical director, Lank Center for Genitourinary Oncology, Dana-Farber and Robert W. Ross, M.D., attending physician, Lank Center for Genitourinary Oncology, Dana-Farber, in a poster (**Abstract #5052**), at ASCO on May 31, 2009.

"Early detection of prostate cancer is essential for effective intervention, yet the low specificity of current screening methods grossly overestimate the presence of prostate cancer, leading to substantial patient anxiety and pain associated with unnecessary biopsies," commented Dr. Ross. "These results suggest that this test, when used together with PSA screening, may provide a powerful diagnostic tool for prostate cancer leading to a reduction in unnecessary biopsies."

"These results demonstrate proof of concept that specific RNA transcript levels can assess abnormal gene expression levels associated with untreated, localized prostate cancer, and play an important role in the

development of a diagnostic tool,” stated Dr. Oh. “I am looking forward to further evaluating this test on a larger scale in a multi-site trial.”

Study Details:

The study looked prospectively at 484 men from August 2006-October 2008. The men were divided into three groups: those newly diagnosed with localized, untreated prostate cancer; healthy normals; and otherwise healthy normals with BPH. These men were randomly assigned to either a training or validation study group. Beginning with a pool of 174 candidate genes, the researchers identified a six gene test with a high degree of sensitivity in predicting prostate cancer (88.2%) and specificity in identifying healthy normal patients (85.5%) from a training patient group of 76 prostate cancer patients and 76 healthy normal subjects. These results were confirmed in a larger validation study group of 128 prostate cancer patients and 94 normal healthy subjects, showing sensitivity in predicting prostate cancer of 85.9% and specificity in identifying healthy normals of 83.0% ($P < 0.001$).

Sensitivity and specificity were significantly improved when PSA was incorporated into the six gene test. In the training set, sensitivity and specificity improved to 97.4% and 96.1%, respectively. This improvement was confirmed in the validation group, which demonstrated sensitivity and specificity of 87.2% and 92.6%, respectively ($p < 0.001$). The inclusion of BPH patients into the training and validation study groups reduced specificity to 91.5 and 91.4%, respectively but did not have a significant effect on sensitivity. When the training and validation groups were combined and reanalyzed with the combined six gene test plus PSA, sensitivity and specificity were improved to 93.6% and 94.7% respectively.

About Prostate Cancer:

Prostate cancer is the most common cancer, other than skin cancers, in American men and is the second leading cause of cancer death in men behind only lung cancer. The American Cancer Society estimates that during 2008 about 186,320 new cases of prostate cancer will be diagnosed in the United States. Treatment options include active surveillance, hormone therapy, chemotherapy, and radiation.

About Source MDx:

Source MDx is developing and commercializing prognostic, predictive and early detection molecular diagnostic (Precision Profile™) assays and tests for cancer and other inflammatory diseases. The Company's lead development programs, in collaboration with the Dana-Farber Cancer Institute, include a family of Precision Profile™ assays for prostate cancer designed to: improve early diagnosis with a goal to reduce the need for biopsies, predict the aggressiveness of the cancer, better define prognosis and more effectively stratify patients for drug response - all of which may serve to improve the management of patient care and lower healthcare costs. The Company is also developing molecular diagnostics in collaboration with other leading academic medical centers in a range of cancers, including lung and melanoma, as well as certain inflammatory and autoimmune diseases such as multiple sclerosis. Source MDx's patented assays and tests measure RNA-transcript-based gene expression in whole blood using quantitative PCR, optimized for clinical use in a commercial setting. The Company has a multi-year translational molecular medicine collaboration with Pfizer to develop and validate RNA-based pharmacodynamic and predictive biomarkers within Pfizer's cancer and inflammation therapeutic development programs. Learn more at: www.sourcemdx.com.

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