

Kiadis and Celmed Complete Merger to Create Oncology Drug Development Company

Groningen, the Netherlands and Montreal, Canada, December 11, 2006 —

Kiadis B.V. and Celmed BioSciences Inc. today announce that the merger was completed following approval by the shareholders of both companies. The merger creates Kiadis Pharma B.V., an oncology drug development company with four products in various stages of clinical development and a valuable pipeline of early drug candidates.

Kiadis Pharma presents a seasoned management team under the leadership of Manja Bouman, CEO that includes executives from both companies. Industry veteran Frank Ubags joins as Chief Financial Officer, bringing extensive international experience in corporate finance. Pierre Caudrelier joins as Chief Medical Officer and Ela Borenstein joins as Chief Operating Officer. The team combines experience in the entire product development value chain and is well positioned to drive strategic growth of the company. To ensure continued external validation, Kiadis Pharma is establishing scientific and clinical advisory boards

Shareholders in the new company include LSP, Esprit Capital Partners, BioVeda Capital, GeneChem and N.V. NOM - Investment and Development Agency for the Northern Netherlands, who are fully committed to support Kiadis Pharma with their knowledge, capital and network.

"Kiadis Pharma builds on the strengths of experienced management, successful clinical programs and three proprietary product engines, capable of developing existing and future innovative drugs. Kiadis Pharma has the ambition to become one of the leading biotechnology companies in oncology and I am confident that they are able to successfully develop and market products for high unmet medical needs."
said Manja Bouman, CEO of Kiadis Pharma.

Kiadis Pharma currently has an impressive small molecule pipeline with four products in various phases of clinical development allowing fast track potential and significant market opportunities. Its lead product, *ATIR*, has successfully allowed blood cancer patients, without access to a fully matched donor, to receive a life-saving transplantation of bone-marrow. *ATIR* is currently in phase I/II clinical development and could open treatment opportunities for a significant group of patients. Its product *NB1011* targets aggressive solid tumors and has obtained excellent safety data. Other products in clinical development include *ECP* for treatment of chronic graft-versus-host-disease (GVHD) and *Purge* for treatment of non-hodgkins lymphoma.

About Kiadis Pharma B.V.

Kiadis Pharma is fully dedicated to in-house pharmaceutical product development with extensive experience in oncology and full ownership of its products under development. The company has developed a number of small molecule drugs in various stages of clinical development from its proprietary technology platforms *Theralux™*, *BioSelact™* and *ECTA*. Kiadis Pharma is headquartered in the Netherlands with facilities in Groningen, the Netherlands and Montreal, Canada.

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