

GREYSTONE PHARMACEUTICALS UPDATE

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PROMISING EARLY EPI-MAX® RESULTS FOR TREATMENT OF CHRONIC WOUNDS

June 12, 2006 – MEMPHIS, TN – Epi-Max®, cleared by the FDA for sale in the U.S. in 2005, has created “very encouraging initial feedback” from clinical evaluations underway, according to Greg Pilant, CEO of Dermagenics, U.S., Inc., a wholly owned subsidiary of Greystone Pharmaceuticals, Inc. and the producer of Epi-Max.

“Even in the early stage of these evaluations,” said Pilant, “we are very energized by reports of individual successes on previously non-responsive cases.” Evaluations involving wound care opinion leaders began in early 2006 in key wound clinics and are expected to run through to early 2007.

Epi-Max, an acetylated regenerated cellulose (ARC) sterile wound dressing, is an FDA-cleared device that provides the benefits of an innovative wound dressing with dual active ingredients. It is indicated for use to manage pressure ulcers (stages I-IV), stasis ulcers, diabetic skin ulcers, skin irritations, cuts, and abrasions.

John H. Moore, MD and Medical Director of the Skaggs Wound Care Clinic in Branson, Missouri, cited that his center has been “very impressed” with initial results of their evaluation of Epi-Max.

“After just 2 weeks of a 6 week evaluation use of Epi-Max on the wounds of 10 of our most difficult-to-heal patients,” stated Dr. Moore, “we have seen an improvement in the quality of the wound bed tissue for all 10 patients and measurable healing in the majority.”

Moore noted that because of the impressive initial results, the Skaggs Wound Care Clinic is in the process of expanding their evaluation.

“These initial evaluations position our organization to effectively introduce this pioneering treatment,” said Pilant. “This first series of clinical evaluations since our FDA clearance is critical to gaining acceptance in this highly specialized field. Combined with previous successful clinical evaluations, we expect to quickly build awareness of Epi-Max, both in the treatment of difficult-to-heal wounds such as diabetic foot ulcers, stasis ulcers, and decubitus ulcers, and in a significant impact on cost effectiveness compared to alternative products.”

Steve Monroe, PhD and Vice President of Technology for Greystone Pharmaceuticals, is optimistic that Epi-Max’s patented technology will “significantly benefit the treatment of non-healing lower extremity wounds and stage three pressure ulcers. These wounds

include diabetic foot ulcers, venous leg ulcers and decubitus ulcers, more commonly known as bedsores or pressure sores.”

Monroe explains that Epi-Max was developed from many years of studies and observations of chronic wound environments and inorganic mineral effects on epidermal tissues. The treatment “combines a moist ointment with two active ingredients as listed on the label, to bring a normalized wound bed environment to the damaged tissue. Epi-Max has been able to close wounds that have not responded to other types of wound dressings.”

Cynthia Tucker, PhD and Vice President of Marketing and Sales for Dermagenics, U.S. Inc., noted the critical need for an effective, efficient product for chronic wounds, especially diabetic-related. Tucker explains that a treatment like Epi-Max “is critical for patients and health care providers because chronic wounds can lead to infection, and ultimately amputation, if not properly treated. With the explosion of diabetes in the U.S., Dermagenics, U.S. Inc., will fill a vital unmet need in current treatment protocols.”

Greystone Pharmaceuticals, Inc. is a privately held international biotech development company with operations in the U.S. and Europe. The company currently manufactures and sells advanced wound care products for treating chronic wounds associated with systemic conditions, including diabetes. Along with the new headquarters for the holding company, Greystone maintains corporate offices and manufacturing facilities in Memphis, Tennessee, and its European headquarters, through its subsidiary Dermagenics, B.V., in Kaatsheuvel, The Netherlands. For further information about Greystone Pharmaceuticals and Epi-Max, contact Cynthia Tucker at 1-800-814-3091 or 901-452-2395, or via email at ctucker@greystonepharmaceuticals.com.

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