EPINEX NEWSLETTER

Volume 2 No. 1

For our investors, current news and developments in key areas of the medical diagnostics field.

COMPANY NEWS

Facility

Epinex has acquired an office and manufacturing facility in Irvine, California, in the heart of the Southern California biomedical industry, adjacent to the University of California.

On-site resources include a fully-equipped dry room capable of producing the complete line of Epinex rapid tests.

Advisory Board

As part of our ongoing program to place the company on a solid foundation, we have begun the formation of an advisory board of distinguished scientists and entrepreneurs. We are very pleased to welcome Dr. Saul I. Ship and Dr. H. Vernon Roohk to the board.

Please see page 2 for a reprint of a recent article in the Los Angeles Times highlighting the call by scientists and health officials for universal HIV testing.

The EPINEX-POC rapid test for HIV 1 & 2 will address the need for a safe and convenient test that can be used in clinics, emergency rooms and hospitals in the US and throughout the world.

[The Epinex HIV test is not approved by the USFDA and or any international regulatory agency. This product is not for sale in the USA or in other countries. Submission for approval is anticipated in the near future.]

REPORTS FROM THE GENERAL MEDIA

Bush Proposes $3.2 Billion To Fight AIDS In Poor Nations

Request Part Of 5-Year Plan To Battle AIDS

January 28, 2005

WASHINGTON -- President George W. Bush will ask Congress to provide $3.2 billion to combat AIDS in Africa and other poor regions, continuing the program's gradual growth, senior administration officials said Thursday.

Bush's AIDS request will represent the latest step in his 2003 pledge to provide $15 billion over five years to combat the disease overseas. (Associated Press)

RELATED STORIES

N.J. promotes HIV test that gives quick results

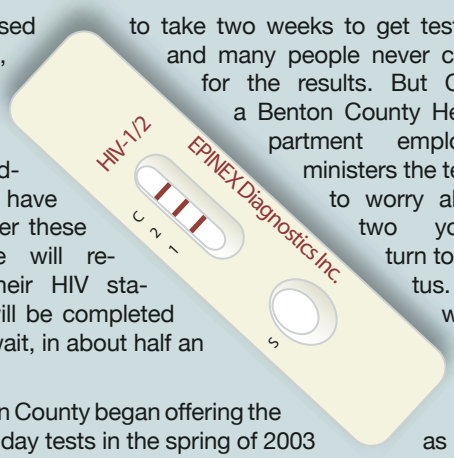
Thursday, February 3, 2005

New Jersey health officials on Wednesday began heavily promoting the use of a free Rapid HIV blood test that gives results in 20 minutes, rather than the once-standard two weeks.

A $2 million, yearlong advertising campaign will encourage more residents to undergo rapid testing for HIV, the AIDS virus, at publicly funded counseling and testing sites in New Jersey.

Benton offers same-day HIV test results

CORVALLIS — A spiky-haired teen and his girlfriend walked into the Circle of Hope drop-in center earlier this week to access free, anonymous HIV tests.



It used to take two weeks to get test results, and many people never came back for the results. But Chris Gray, a Benton County Health Department employee who administers the tests, won't have to worry about whether these two young people will return to find out their HIV status. The test will be completed while they wait, in about half an hour.

Benton County began offering the same-day tests in the spring of 2003 as part of a pilot program in which only four Oregon counties participated. After six months of assessing the effectiveness of the testing and the county's ability to reach high-risk individuals, the rapid tests becoming more common statewide.

Epinex is developing the next generation of microarray-based molecular pharmaco-diagnostic tests.

New Era For Biotech? Safer Treatments Could Arise From Gene-based Tests

January 15, 2005

Angst about drug safety still shadows the market for biomedical firms, but biotechnology is starting to yield products that may open the door to a new era of safer medicine.

Recent test approvals by the Food and Drug Administration on Tuesday were just one of the signals that gene-based diagnostics and research can lead to a more powerful and individualized form of medical practice.

JPMorgan biotech analyst Ron Renaud said growing knowledge of the specific molecular mechanisms of disease will build momentum for diagnostic tools to find the best drug at the best dose for individual patients.

"I still think we're in the early innings of that game," Renaud said. "As we get a better understanding of the genetic basis of disease, the business of diagnosis is going to continue to boom."

The drive toward customized treatment based on the understanding of individual genetics has produced a few drugs that are prescribed only after a diagnostic test indicates a patient will benefit.

Other tests will work more broadly. Gene-based diagnostic tests of blood samples may someday detect cancer at an early stage, when treatment is most likely to be successful.

The value of gene-based tests for viruses and bacteria goes beyond medicine. The same technology is being used to test food, air and water to protect against accidental contamination or bioterror attacks.

John McCamant, editor of the Medical Technology Stock Letter in Berkeley, said he sees gene-based diagnostic tests as part of the cure for the nation's growing drug bill. Tests that could distinguish between people who will benefit from a drug and those who shouldn't take it could deliver enormous savings as well as promote safety, he said. It's the early days for the technology, he said, but progress is being made.

"It's getting us a little closer all the time," McCamant (San Francisco Chronicle)

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EPINEX DIAGNOSTICS INC.

CREATING A REVOLUTION IN BIOTECH-BASED DIAGNOSTICS

THE NATION LOS ANGELES TIMES THURSDAY, FEBRUARY 10, 2005

Scientists Advise Screening All Adults for HIV Infection

By THOMAS H. MAUGH II
Times Staff Writer

All adult Americans should be screened for HIV infections in an effort to prolong lives and reduce new infections, two groups of researchers urged today.

Everyone should be screened at least once, and the vast majority should be retested every three to five years in the same manner that physicians screen patients for colorectal cancer, diabetes, hypertension and other diseases, according to two independent reports published in the New England Journal of Medicine.

'It's a financial winner as well as a clinical winner and a societal winner.'
Dr. Samuel Bozzette of Rand Corp. and UC San Diego

Such screening would reduce the rate of new infections in this country by about 20% and, on average, add 1½ years of lifespan for each person found to be infected, researchers said.

The cost of the increased screening "would be money well spent," said Dr. A. David Paltiel of Yale University, who led one of the studies.

A REPORT FROM THE MEDICAL DIAGNOSTICS MEDIA

This Year in IVDs
(In Vitro Diagnostics)

With the release of molecular IVD instruments for commercial sale, IVD manufacturers and the bodies that regulate them broke new ground in 2004.

In 2004, IVD manufacturers found that the recovering market was both hungry for new products and ready to buy. From faster, more integrated, and more capable laboratory instruments to tests displaying greater sensitivity and specificity while requiring ever-smaller sample sizes, IVD manufacturers brought better products to market.

After years of anticipation, molecular IVD systems have been placed on the market for commercial sale.

In spite of regulatory hurdles, and amidst a strong push in the molecular sector, IVD manufacturers continued to release faster, more accurate, and generally more capable instruments. Advances in automation, ease of operation, and test sensitivity and specificity have given healthcare providers ever-more-effective diagnostic tools.

Significant advances have been made in the following areas:

Diagnostic Tests

This year, new tests relied on a variety of technologies to generate more-accurate and -useful results more quickly. New tests are available for everything from physical illness to biowarfare agents.

Cardiovascular Health

According to Michael S. Parmacel, MD, chief of cardiovascular medicine at the University of Pennsylvania (Philadelphia), "Based on the American College of Cardiology's new criteria for diagnosing myocardial infarction, troponin has become the gold standard in diagnostic testing."

In addition to individual tests for cardiovascular function, this year a panel of tests designed to examine a range of cardiovascular factors received FDA approval.

Infectious disease

Many tests designed to better diagnose infectious diseases were released this year, including tests for viruses that could be used for terrorism or biowarfare were placed on the market this year.

Immunoassay

Available applications include cardiac, routine, esoteric, infectious-disease, and allergy testing.

Point-of-Care Tests

New diagnostics on the POCT market demonstrate advances in ease of use and effectiveness. Manufacturers are also working to improve sensitivity and specificity of these devices so that results obtained from point-of-care IVDs approach the accuracy of laboratory tests.

Lastly, while most POCTs offer a yes or no quantitative result, the market calls for tests that offer more versatility. POCT systems that offer such versatility are generally dedicated systems that are not economically justifiable for most facilities. Once industry can make such systems affordable for more consumers, the market for POCT will grow substantially.

HIV

Many new POCTs for HIV were placed on the market this year. With a record 5 million people having been infected with AIDS last year alone, HIV continues to be a major concern around the world. With boosted funding to fight HIV and AIDS, the market for new and improved HIV tests continues to thrive.

Glucose monitoring

The diabetes care market continues to comprise a large part of the POCT market.

Other applications

IVD manufacturers have added POCTs to many other IVD market sectors. From drugs-of-abuse (DOA) tests to critical-care tests, these devices can speed decision making to help save lives or take immediate action in an emergency.

Molecular Diagnostics

Molecular-based IVDs are gradually being released onto the market.

Conclusion

With new molecular products on the market, an increased demand for instruments with greater automation and connectivity, and ever-increasing opportunities for bringing POCTs for a variety of samples to market, it has been a prosperous year for IVD companies. Requests for partnership from pharmaceutical companies have planted the seeds for the future of personalized medicine.

In addition to smaller, less-expensive, faster, and more-accurate traditional IVDs, new tests are in development that are tied intimately to pharmaceuticals. More and more of these personalized-medicine IVDs will likely be introduced into the marketplace in upcoming years.

Future advances in IVDs will bring diagnostic testing even closer to the patient, and provide more-accurate, faster, and simpler testing to the marketplace.

(Adapted from IVD Technology, October 2004)

Epinex is actively developing products in numerous POCT areas, including cardiovascular health, infectious disease and drugs-of-abuse. Our ACT™ instrumentation will offer affordable semi-quantitative results for A1c glyocohemoglobin diabetes testing and other important applications.