

EraGen Biosciences closes on \$12 million in series A financing: Funding will support rapid scale-up of advanced molecular diagnostics products

(January 9, 2006) EraGen Biosciences Inc., a venture-backed biotechnology company focused on automating molecular diagnostics, today announced the completion of \$12 million in Series A financing, bringing the total capital raised to date by the company to approximately \$21 million. The round was led by First Analysis Corporation and Prolog Ventures. New investors also include Stonehenge Capital and a syndicate of investors from the Midwest. The existing investor, Novartis Venture Fund, also participated in the round.

Dr. Tracy Marshbanks, Vice President, First Analysis, and Greg Johnson, Managing Director, Prolog Ventures, have joined EraGen's Board of Directors.

"The investment by such high quality investors is a testimony to the strong potential of our molecular diagnostics platform, our team and the progress our company has made in commercializing highly accurate multiplexed tests," said Irene Hrusovsky, M.D., President and CEO of EraGen Biosciences. "The Series A financing gives us an enhanced Board and advisors as the company drives forward. This, combined with the resources to further commercialize our company's patented, expanded genetic alphabet technology, will deliver innovative products to the molecular diagnostics market."

"We're pleased to lead this round and to provide support for EraGen's breakthrough diagnostic products," said Dr. Tracy Marshbanks, Vice President, First Analysis. "EraGen's Multi-Code[®] System can be used in a wide va-

riety of applications, including detection of infectious diseases, cancer diagnostics, cardiovascular disease testing, drug metabolism testing, genotyping, predictive genetics and homeland security."

"EraGen benefits from a solid foundation of existing business partners, a robust patent portfolio and strong managerial leadership, positioning the Company for long-term success," said Greg Johnson, Managing Director, Prolog Ventures.

"EraGen is one of the emerging stars in Wisconsin Biotechnology," said W. Kent Velde, manager of the Stonehenge fund. "We're pleased to be supporting one of our own."

Said Dr. Hrusovsky, "As we continue to develop superior performing products that will secure our place as the leader in specialty molecular diagnostics, we look forward to growing sales and strengthening our strategic partnerships with respected companies, such as Bayer Health care and Promega Corporation."

About First Analysis

First Analysis is a leading private growth-equity investor. It has one of the longest records (20 years) in private capital investing. It has invested over \$590 million, has created over \$1.4 billion in fund liquidations, and has over \$180 million in active portfolio investments. First Analysis focuses on its three sectors of expertise: chemistry-enabled businesses, outsourced services, and information technology, investing for expansion and growth in small and mid-size companies with established business models, high internal growth rates, and large-market leadership potential. Its goal is to help these companies establish highly profitable leadership positions in their markets, assisting with strategy, recruit-

ment, sales and marketing, and corporate development. www.firstanalysis.com

About Prolog Ventures

St. Louis based Prolog Ventures is a venture capital firm with \$100 million under management specializing in life sciences and related information technologies. Prolog's portfolio companies are providing solutions in the areas of biotechnology, medical devices, diagnostics, technology-enabled services and products for health and wellness. Prolog's managers bring to the table more than 50 years of experience in all aspects of new enterprise creation and growth both as investors and principals. www.prologventures.com

About Stonehenge Capital Company, LLC

Stonehenge Capital Company, LLC is a nationwide specialty finance firm with expertise in mezzanine and private equity, tax credit finance and structured finance transactions. Stonehenge manages approximately \$500 million in private equity funds through its offices in Colorado, Alabama, Florida, Louisiana, Missouri, New York, Ohio, Texas and Wisconsin. www.stonehengecapital.com

About EraGen Biosciences

Based in Madison, Wisconsin, EraGen Biosciences is driving innovative molecular diagnostics to market faster. The company develops and commercializes high performance automated molecular diagnostics products to serve the growing markets for personalized medicine and rapid response needs for homeland security. www.era-gen.com

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