



ThermoGenesis & NETCORD Note U.S. Patent Office's Rejection of PharmaStem Cord Blood Stem Cell Patent Claims

Cord blood stem cell research will benefit

Rancho Cordova, California, and Dusseldorf, Germany (May 31, 2006) - ThermoGenesis Corp. (Nasdaq: KOOL) and the International NETCORD Foundation today announced that the United States Patent and Trademark Office (PTO) issued two new office actions rejecting all of the claims of PharmaStem Therapeutics Inc.'s U.S. Patent No. 5,192,553 and U.S. Patent No. 6,569,427 as unpatentable over prior art. Recently, the PTO issued initial office actions rejecting all the claims of PharmaStem Patent Nos. 5,004,681 and 6,461,645. These patents relate to the collection, cryopreservation and storage of hematopoietic stem cell - containing umbilical cord blood.

ThermoGenesis and NETCORD have supported these re-examinations based on their conviction that the patents' claims are not distinct over "prior art", including the publication of several medical journal articles describing the same and similar techniques and observations predating by several years the filing date of the original applications. According to the recently issued re-examination order from the PTO, critical references have "evidenced that it was well known in the art at the time of effective filing date of the earliest PharmaStem patents '553 and '681, that stem and progenitor cells are present in umbilical cord blood cells, and could be cryopreserved for future stem cell transplantation".

Previously, ThermoGenesis and NETCORD successfully opposed PharmaStem patent claims in Europe, and on April 7, 2003 the European Patent Office ("EPO") confirmed the revocation of PharmaStem's European patent on cryopreserved cord blood compositions and uses thereof by dismissing PharmaStem's appeal of an earlier ruling of the EPO, which had previously revoked all 68 claims of the European patent. The decision of the EPO is final and is not subject to appeal and applies throughout Europe.

In a joint statement, Philip Coelho, Chairman and CEO of ThermoGenesis, and Peter Wernet, M.D., President of NETCORD and Director of the Jose Carreras Cord Blood Bank at the University of Dusseldorf commented, "We strongly doubt the validity of the claims contained in the PharmaStem patents, given the existing prior art. The methods and observations reported in these patents were well known and the possibility of using cord blood for bone marrow and immune system reconstitution had been suggested several times in the medical literature. Furthermore, it is our opinion that this ruling by the U.S. PTO invalidating these patent claims will enhance the ability of stem cell banks and other research organizations to increase the inventory of life-saving cord blood grafts and offer life-saving treatments to patients, as well as conduct breakthrough research. We consider these abilities to be vital to a rapidly evolving field of medicine which will likely have a dramatic impact on the direction of healthcare innovation."

About ThermoGenesis Corp.

ThermoGenesis Corp. (www.thermogenesis.com) is a leader in developing and manufacturing automated blood processing systems and disposable products that enable the manufacture, preservation and delivery of cell and tissue therapy products. These products include:

- **The BioArchive® System**, an automated cryogenic device, is used by cord blood stem cell banks in more than 25 countries for cryopreserving and archiving cord blood stem cell units for transplant. GE Healthcare is the non-exclusive global distribution partner for the BioArchive System.
- **The AutoXpress™ System**, is a newly developed semi-automated device and companion sterile closed blood processing disposable, to harvest stem cells from cord blood. GE Healthcare is the exclusive global distribution partner for the AXP AutoXpress System.
- **The CryoSeal® FS System**, an automated device and companion sterile blood processing disposable, is used to prepare fibrin sealants from plasma in about an hour. Enrollment in a 150-patient U.S. pivotal clinical trial has been completed and a PMA is being reviewed by the FDA. The CryoSeal FS System has received the CE-Mark. From a marketing perspective, the CE Mark is the European equivalent to an FDA approval, in that it allows sales of the product throughout the European community.
- **The Thrombin Processing Device™ (TPD™)** is a sterile blood processing disposable that prepares activated thrombin from a small aliquot of plasma in less than 30 minutes. The CE-Marked TPD is currently being marketed in Europe by Biomet, Inc., subsidiary Biomet Biologicals, Medtronic, Inc. and independent distributors.

About NETCORD

The NETCORD Foundation is a network of non-profit public cord blood banks in the U.S.A., Europe, Israel, Japan, and Australia, which have already provided thousands of cord blood stem cell grafts for patients worldwide. NETCORD has established specific quality standards in collaboration with the Foundation for the Accreditation of Cellular Therapy (FACT) in North America on the collection, cryopreservation, storage, and release of cord blood units.

To assist transplant centers in direct searches of compatible cord blood units, NETCORD has established an on-line search and allocation program, the Virtual Office (VO). This program allows real-time searches of compatible and available units, facilitating the rapid identification of the best possible cord blood transplant for any given patient worldwide. More Information on NETCORD can be accessed at <http://www.NETCORD.org>

This press release, including statements regarding financial information for future periods, contain forward-looking statements, and such statements are made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual outcomes to differ materially from those contemplated by the forward-looking statements. Several factors, including timing of FDA approvals, changes in customer forecasts, our failure to meet customers' purchase order and quality requirements, supply shortages, production delays, changes in the markets for customers' products, introduction timing and acceptance of our new products scheduled for fiscal year 2006, and introduction of competitive products and other factors beyond our control, could result in a materially different revenue outcome and/or in our failure to achieve the revenue levels we expect for fiscal 2006. A more complete description of these and other risks that could cause actual events to differ from the outcomes predicted by our forward looking statements is set forth under the caption "Risk Factors" in our annual report on Form 10-K and other reports we file with the Securities and Exchange Commission from time to time, and you should consider each of those factors when evaluating the forward looking statements.

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