



**ThermoGenesis Applauds
US Department of Health and Human Services'
Release of \$12 Million in Federal Funds
to Qualified US Cord Blood Stem Cell Banks**

***Goal of National Cord Blood Stem Cell Bank Network is Collection of
150,000 Cord Blood Stem Cell Units for All Patients in Need***

RANCHO CORDOVA, California (November 3, 2006) --ThermoGenesis Corp. (Nasdaq: KOOL) today acknowledged that under the Stem Cell Therapeutic and Research Act of 2005, the U.S. Department of Health and Human Services' Health Resources and Services Administration ("HRSA") has released \$12 million in funding to six (6) cord blood stem cell banks to establish a National Cord Blood Stem Cell Bank Network with the goal of storing and providing 150,000 units of human umbilical cord blood stem cells for the treatment of patients with diseases such as leukemias, lymphomas, diverse inherited anemias, such as sickle cell anemia and thalassemia, and other genetic diseases. The three Banks charged with collecting most of this inventory are the National Cord blood Program at New York Blood Center, Carolina's Cord blood Bank at Duke University Medical Center and the M.D. Anderson Cord Blood Bank, all of which utilize ThermoGenesis' BioArchive® Systems to cryopreserve and store their stem cell units.

"ThermoGenesis began the lobbying efforts three years ago that led to this legislation and these initial funds will help pave the way for significantly improved patient care," ThermoGenesis' Chairman & CEO, Philip Coelho said. "When the full inventory of stem cell units is collected, more than 80% of patients who need transplants will be able to receive an excellent unit. Currently, less than 25% of these patients are afforded this opportunity. Beyond the important funding, we have long anticipated that federal oversight will mandate critical processing standards to assure the highest quality cord blood stem cell units in the registry, which we believe will be beneficial to the growth of our Cell Therapy business."

The legislation, led by Senator Orrin Hatch (R-Utah) and Representative Chris Smith (R-NJ) in their respective houses, calls for \$79 million in funding to support the cord blood stem cell network, and the Office of Management and Budget has projected the full cost of the authorized inventory to be about \$225 million. The legislation also supports peer-reviewed research using such cells.

GE Healthcare is the non-exclusive global distribution partner for the BioArchive System, as well as, the exclusive distribution partner for ThermoGenesis' AutoXpress™ System, the first fully closed, automated cord blood stem cell processing system that simplifies the traditional, labor intensive manual process that often requires an expensive "clean room". The BioArchive System cryopreserves, archives and retrieves samples within liquid nitrogen without exposing the samples to detrimental Transient Warming Events (TWEs), which can reduce cell viability. The BioArchive System is a computer-driven robotic system to allow users to cryopreserve and archive up to 3,623 units of blood components in -196 degrees C liquid nitrogen.

About Cord Blood Stem Cells

Unlike controversial embryonic stem cells that have never been used in humans, cord blood stem cells have been transplanted more than 10,000 times to treat patients with life threatening diseases including leukemia, lymphoma and more than 60 different genetic disorders. Further, recent peer-reviewed scientific articles indicate stem cells residing in cord blood can also differentiate into other tissues of the body including the brain, bone, cartilage, and muscle, indicating potential broader application of cord blood stem cells in future clinical use.

With approximately four million births per year in the United States alone, cord blood represents a large, natural resource for use in the treatment of malignant and genetic diseases in which sourcing does not involve donor risk. Following the first successful cord blood transplant performed in 1988, awareness of the potential therapeutic value of cord blood stem cells has increased and collection and storage has grown rapidly.

About ThermoGenesis Corp.

ThermoGenesis Corp. is a leader in developing and manufacturing automated blood processing systems and disposables that enable the manufacture, preservation and delivery of cell and tissue therapy products.

- 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.

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 2007, 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 2007. 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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