

Q THERAPEUTICS COLLABORATORS AT JOHNS HOPKINS TO STUDY USE OF NEURAL GLIAL CELLS IN TREATMENT OF MYELIN DISORDERS

Salt Lake City, UT, June 1, 2010 – Q Therapeutics, Inc. announced today that Piotr Walczak, M.D., of Johns Hopkins University has received notification of a \$1,000,000 grant to be awarded by the Maryland Stem Cell Research Fund (MSCRF) which will enable further study of Q's human neural glial cell product Q-Cells® in preclinical models of demyelinating disease. Dr. Walczak, Principal Investigator, is an Assistant Professor in the Department of Radiology and Radiological Science and a faculty member of the Cellular Imaging Section (CIS) in the Institute for Cell Engineering (ICE) at Johns Hopkins University School of Medicine.

Dr. Walczak will use Q-Cells as a standard to evaluate glial cells generated from induced pluripotent stem cells (iPS) and embryonic stem cells (ES). Utilizing advanced techniques for non-invasive cellular imaging, his team will compare behavior of glial cells from these different sources in animal models involving diseases of myelination, and correlate cell behavior with functional improvement. Validation of additional sources for generating glial cells may benefit expanded use in treatment of certain diseases.

Q Therapeutics is developing a proprietary glial cell-based therapeutic (Q-Cells®) for treatment of neurodegenerative diseases. Dr. Walczak's work targeting demyelinating conditions such as multiple sclerosis (MS), transverse myelitis, and spinal cord injury represents a significant class of diseases of the central nervous system for Q-Cells. Q is also conducting preclinical studies to enable it to submit an IND to use Q-Cells to treat patients with the neurodegenerative disease amyotrophic lateral sclerosis (ALS, also called Lou Gehrig's Disease). The work in ALS is being conducted in collaboration with Nicholas Maragakis, MD, at Johns Hopkins University, funded in part under an NIH U01 grant and a separate grant from MSCRF.

Q Therapeutics President and CEO, Deborah Eppstein, Ph.D., welcomed the opportunity to expand its collaborative studies with Dr. Walczak on use of Q-Cells in diseases involving deficiencies in myelination. "We believe that Q-Cells have applicability to several different types of central nervous system diseases. We look forward to joining Drs. Walczak and Bulte (Director, CIS ICE) on this important project to study the efficacy of glial cells derived from these several sources, broadening use of Q-Cells for treatment of demyelinating diseases."

About Q Therapeutics, Inc.

Q Therapeutics, Inc. is an emerging biopharmaceutical company, venture-backed and privately held developing products to treat debilitating diseases of the central nervous system. The Company has exclusive rights to numerous patents arising from work of Mahendra Rao, M.D., Ph.D., at the University of Utah and NIH, as well as work done by the company. The company's first product, Q-Cells®, is a cell-based therapeutic intended to replace insulating myelin on damaged neurons as well as provide trophic support, thereby restoring or preserving normal function of neurons. Q-Cells may be applicable to a wide range of demyelinating diseases, including multiple sclerosis (MS), transverse myelitis, spinal cord injury, cerebral palsy and white matter stroke; as well as other neurodegenerative diseases such as ALS (Lou Gehrig's Disease). Q's future pipeline includes products for treatment of Parkinson's Disease, Alzheimer's Disease and peripheral neuropathies. For more information, visit www.qthera.com.

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