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**FDA APPROVES CLINICAL TRIAL FOR TYPE 1 DIABETES TREATMENT DEVELOPED BY
BEN-GURION UNIVERSITY OF THE NEGEV AND UNIVERSITY OF COLORADO RESEARCHERS**

– Screening Underway at University of Colorado, Barbara Davis Center for Childhood Diabetes –

BEER-SHEVA, ISRAEL, June 29, 2010 -- The U.S. Food & Drug Administration (FDA) has granted Investigational New Drug (IND) regulatory clearance to initiate a Phase I/II clinical trial evaluating Alpha-1 Antitrypsin (AAT) in type 1 diabetics, based on research by Dr. Eli Lewis of Israel's Ben-Gurion University of the Negev.

This is the first time AAT will be evaluated in humans with type 1 diabetes. AAT is an FDA-approved off-patent drug currently used to treat pulmonary emphysema among youngsters and adults with an AAT genetic deficiency.

“We designed the trial with the same dose of AAT that has been used safely and effectively for over 20 years,” explains Dr. Lewis, who is the director of Israel's only Clinical Islet Laboratory and a senior lecturer in the Department of Clinical Biochemistry at BGU in Beer-Sheva, Israel.

Dr. Lewis received a generous five-year Young Scientist Career Development Award from the Juvenile Diabetes Research Foundation (JDRF). He has also received the prestigious Yigal Alon Scholarship, the Wolf Foundation Krill Award, a Marc Rich Foundation award and two Israel Science Foundation grants.

Dr. Lewis conducted and published research studies using animal models to demonstrate that AAT may be effective in reversing type 1 diabetes during his post-doctoral fellowship at the University of Colorado and later in his own lab at BGU. He determined that eliminating inflammation is the key to pancreatic islet beta cell survival and to restoring normal glucose levels.

This approach could potentially eliminate the need for daily insulin shots in recently diagnosed individuals, whose native circulating AAT molecules appear to be inactivated by high glucose. AAT is also potentially potent following pancreatic islet transplantation, sparing patients from intense immunosuppressive therapy. The procedure of islet transplantation is the only known approach today that affords continuous physiological glucose levels to patients with diabetes.

According to Dr. Lewis, “We found that targeting multiple inflammatory molecules by using a safe non-toxic and non-steroidal drug, we can block inflammation so effectively that we literally modify the immune response, which facilitates transplant acceptance to treat diabetes.”

The study protocol provides for AAT administration during an eight-week treatment period in an initial group of 15 individuals with recently diagnosed diabetes, potentially expanding to up to 50 patients. As in most other diabetes trials, enrolled patients will be monitored for two years.

“Dr. Lewis is at the forefront of research in his field to find a treatment for type 1 diabetes and we’re very excited that BGU is exporting its pioneering research once again to the U.S.,” says Doron Krakow, executive vice president of American Associates, Ben-Gurion University of the Negev. “We wish Eli success with the trials and hope that his findings lead to a cure for a disease that affects millions of people around the world.”

The Phase I/II clinical trial is being sponsored by OMNI Biopharma (OTCBB:OMTB) at the Barbara Davis Center for Childhood Diabetes and other units at the Anschutz Medical Campus of the University of Colorado, Denver (UCD). OMNI Biopharma (OMNI) has licensed patent applications related to the method of use of AAT for the treatment of diabetes from the Regents of the University of Colorado and a privately held corporation. Dr. Lewis is on OMNI’s scientific advisory board.

In conjunction with the receipt of the IND clearance, OMNI has an agreement with a body of UCD and the Barbara Davis Center to conduct the clinical trial, which OMNI expects to commence during the third quarter of 2010. Acting Chief Executive Officer Dr. Charles Dinarello, professor of medicine in the Division of Infectious Diseases at UCD, leads OMNI. Dr. Dinarello is considered a founding father of cytokine biology. For additional information, please visit www.omnibiopharma.com.

About American Associates, Ben-Gurion University of the Negev

American Associates, Ben-Gurion University of the Negev (AABGU) plays a vital role in sustaining David Ben-Gurion's vision, creating a world-class institution of education and research in the Israeli desert, nurturing the Negev community and sharing the University's expertise locally and around the globe. With some 20,000 students on campuses in Beer-Sheva, Sede Boqer and Eilat in Israel’s southern desert, BGU is a university with a conscience, where the highest academic standards are integrated with community involvement, committed to sustainable development of the Negev. For more information, please visit www.aabgu.org.

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