

## ChanTest Receives Expansion Capital from Ampersand Ventures; Builds World's Largest Catalog of Ion Channel-Expressing Cell Lines for Use in Drug Discovery and Development

CLEVELAND, OH August 6, 2007 – ChanTest, a leading provider of specialized laboratory testing services for drug discovery and development, announced that it recently completed a private equity financing with Ampersand Ventures. ChanTest has experienced strong and profitable growth since its inception in 1998 and currently employs 60 people in its Cleveland, Ohio, laboratories. This financing will enable ChanTest to pursue strategic investments that expand the company's offering through its continued development of the world's most comprehensive library of ion channel-expressing cell lines. Terms of the transaction were not disclosed.

ChanTest's primary focus is on a family of proteins known as ion channels. There are 400 genes encoding ion channels in the human genome, and countless more can be assembled from this gene collection. These ion channels may either represent targets for new drug development, or unintended targets that can result in unwanted side effects from new drugs. ChanTest pioneered the development of functional, cell-based ion channel testing as a means to predict cardiac side effects produced by non-cardiac drugs. Such testing is now a standard component of regulatory submissions prior to approval of drugs in humans. ChanTest's seminal role in this field, along with the company's uncompromising commitment to quality, have earned ChanTest the reputation as "The World's Most Trusted Ion Channel Services Company," according to independent market surveys in both 2006 and 2007.

Dr. Arthur Brown, founder and CEO of ChanTest, stated: "We are seeing increased demand from pharmaceutical and biotechnology customers for our growing menu of specialized testing services. This partnership with Ampersand brings financial resources and expertise that will help further expand the breadth and depth of our service offering, thereby enabling our customers to enhance and accelerate their drug discovery and development programs."

ChanTest is now leading the next major advance in ion channel research and services by continuing its development of the world's most comprehensive library or catalog of ion channel-expressing cell lines. This project has been supported in part by the Ohio Department of Development – in May, 2006, ChanTest received a three-year \$4.73 million grant from the state's Biomedical Research Commercialization Program (BRCP), part of the Third Frontier Project. Using the library metaphor, each cell line may be thought of as an "ion channel book." ChanTest validates the structure, function, and pharmacology of each book using conventional and automated methods, and arranges them into Ion Channel Panels™ according to tissue (e.g., Cardiac Channel Panel) or disease (e.g., Pain/Inflammation Channel Panel). Now, for the first time, pharmaceutical and biotech companies can profile the efficacy and selectivity of drug leads against a broad set of ion channels in functional, cell-based assays: ChanTest can screen drug leads, or even large compound collections, against the entire library or specific Ion Channel Panels. At present ChanTest's Ion Channel Catalog contains 35 different ion channels and is being expanded weekly.

Dr. Brown added: "Since introducing the Channel Panel services last year, we have been very pleased with the market response, which we believe reflects the latent demand for this previously

unavailable capability. We intend to continue expanding the number of Channel Panels, as well as pursuing other important innovations in this field.”

Ampersand’s investment represents the first institutional funding in ChanTest’s history. In conjunction with this financing, Herbert Hooper, PhD, a general partner at Ampersand, has joined ChanTest’s board of directors. About ChanTest

The preeminent ion channel services company, ChanTest serves its drug discovery and development customers with automated screening and proprietary assays using its library of ion channel-expressing cell lines – the most comprehensive in the world. Since its inception in 1998, ChanTest has tested more than 10,000 compounds for more than 100 pharmaceutical companies – helping them to achieve their drug safety and discovery goals. ChanTest’s seminal role in this field, along with the company’s uncompromising commitment to quality, have earned ChanTest the reputation as “The World’s Most Trusted Ion Channel Services Company,” according to independent market surveys in both 2006 and 2007. ChanTest is based in Cleveland, Ohio. For more information, please visit [www.chantest.com](http://www.chantest.com). About Ampersand

Founded in 1988, Ampersand is a leading private equity firm based in Wellesley, Massachusetts. With \$750 million in committed capital, Ampersand targets investments in the healthcare and industrial products sectors. For more information, visit [www.ampersandventures.com](http://www.ampersandventures.com). About the Biomedical Research and Commercialization Program (BRCP)

The state of Ohio’s BRCP provides grants to support biomedical and biotechnology research leading to Ohio commercialization and long-term improvements to the health of Ohioans. Projects are to be collaborations among Ohio higher education institutions, non-profit research organizations, and Ohio companies in the areas of human genetics and genomics, structural biology, biomedical engineering, computational biology, plant biology, and environmental biology. For more information, visit [www.thirdfrontierproject.com](http://www.thirdfrontierproject.com).