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News Release

Tepha, Inc. Press Release November 22, 2004

Tepha, Inc. Closes \$4.3 Million Financing

Cambridge, MA - Tepha, Inc., a privately held Boston-area medical device company, today announced that it has closed a \$4.3 million financing led by The Vertical Group. Also participating in the financing were Integra Ventures, and Novartis Venture Fund. The funds will be used to complete the submissions of Premarket Notification 510(k) Applications to the FDA for the Company's first products, as well as for research and development and working capital.

The Company's first products are based on its proprietary TephaFLEX™ biomaterial, a new polyester material that can be converted into one of the strongest absorbable fibers known. The new biomaterial is made from a natural metabolite, and degrades in a cell-friendly manner. Tepha and five commercial partners are currently developing a range of medical devices with the TephaFLEX™ biomaterial to meet a number of unmet medical needs. Applications under development include suture, surgical mesh and patch products, devices for ligament, tendon, and cartilage repair, and tissue engineered cardiovascular devices.

Simon Williams, President and CEO of Tepha, stated "We are very pleased that Integra Ventures and the Novartis Venture Fund have joined The Vertical Group as major investors in Tepha. Their ability to contribute expertise in life science and medical technology will be an integral part of Tepha's success." The Vertical Group, a New Jersey based venture capital firm specializing in the medical device and instrumentation industry, has backed Tepha since inception. Integra Ventures is a life science venture capital firm, located in Seattle. The Novartis Venture Fund, based in Basel, Switzerland is the venture capital arm of Novartis, one of the world's largest life science companies.

Additional Information

For information on Tepha and its technology, please contact: Dr. Ajay Ahuja, M.D., Director of Business Development, Tepha, Inc., 840 Memorial Drive, Cambridge, MA 02139, tel: 617-995-5400, fax: 617-995-5401. Email: contact@tepha.com. Or visit <http://www.tepha.com>.

About Tepha, Inc.

Tepha is a medical device firm engaged in the development of a new range of absorbable devices for therapeutic applications. The Company is applying a patented core technology, comprising over 30 issued U.S. patents, which allows it to produce absorbable polymers suitable for use in a wide range of implantable products in the areas of surgical repair, regenerative medicine, and drug delivery.

The Company's proprietary technology, developed at the Massachusetts Institute of Technology, uses genetic engineering to produce a new class of biomaterials that can be converted into a wide range of products that restore, maintain, or improve tissue function. Potential products range from relatively simple medical devices to more complex products that include cardiovascular stents, vascular grafts, and tissue engineered heart valves- as well as drug delivery products. For further information, please visit our website: <http://www.tepha.com>