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Labcyte Inc. Closes \$21 Million Financing with Cross Atlantic Partners Leading

Sunnyvale, CA, July 25, 2005--Labcyte Inc. announced today it has closed its Series C financing with all previous major investors and three new firms participating. The round was led by Cross Atlantic Partners and included Hambrecht & Quist Capital Management LLC and the Bay Area Equity Fund, a fund managed by JPMorgan, as new investors. Dr. Sandra Panem of Cross Atlantic Partners will join the company's board of directors. Existing investors Abingworth Management, Alloy Ventures, Delphi Ventures and the Sprout Group also participated in the \$21 million financing.

Labcyte will use these funds for expanding its rapidly growing, low-volume liquid handling business, which is based on a proprietary technology for using focused acoustics (ultrasound) to precisely transfer nanoliters of liquid. The company has successfully commercialized this technology in the Echo™ 550 compound reformatter. The Echo 550 transfers library compounds directly into assay plates and eliminates the need for tips, washing and intermediate dilutions. Six major pharmaceutical companies and one leading university have purchased the Echo 550 with three companies using multiple systems. Users report improved transfer results and savings equal to the price of the system in less than one year.

This investment will also be used to market the next Labcyte product, the Echo 380 auditor, and to continue to expand the commercial applications of the company's technology in genomics and proteomics. The Echo 380 auditor is the first system that enables rapid determination of solution volume and water content in compound

collections. The company is also developing an instrument for preparing tissue samples for quantitative imaging by MALDI mass spectrometry. This technique provides unique information about the spatial distribution of proteins in a tissue and has wide applications in toxicology, basic research and pathology. Additionally, Labcyte expects to deploy its acoustic technologies in genomics and proteomics by developing systems for small volume expression and mutation assays.

“We are very pleased to bring additional high quality investors into Labcyte and anticipate their assistance in the accelerating commercialization of our technology. I especially welcome Dr. Panem to the board of directors. Her broad experience in the both the business and science of biotechnology will be an important asset to Labcyte,” said Elaine J. Heron, Ph.D., Chief Executive Officer of Labcyte Inc.

Labcyte Inc. is a privately held company that was formed by the merger of Picoliter Inc. and Labcyte, LLC in October, 2003. The company is headquartered in Sunnyvale, California and provides a line of compact liquid and plate handling systems, plastic laboratory supplies, as well as the Echo 550 compound reformatter. The Labcyte acoustic liquid handling technology has broad applications in the life science including dispensing equipment, assay systems, particle manufacturing, microarrays, and living cell transfer devices. Labcyte has 21 issued U.S. patents as well as additional international filings. For more information, visit the company’s website, www.labcyte.com.

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