

PANTHERA

B I O P H A R M A

A Science & Technology International Company



NEWS RELEASE

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STI LAUNCHES PANTHERA BIOPHARMA, LLC.

Purchase of HBI's drug discovery programs aims to develop new treatments for bioterrorism and emerging threats such as anthrax, botulism, West Nile virus, dengue fever

Honolulu – Science & Technology International, Inc. (STI) announced today the launch of a new Hawaii-based biopharmaceutical company, PanThera Biopharma, LLC. (PanThera). To create PanThera, STI purchased from Hawaii Biotech, Inc. (HBI) its proprietary small-molecule infectious disease drug discovery programs, including a proven team of nine scientists. HBI will retain a minority interest in the new venture.

The medical response to bioterrorism and pandemic threats is a two-track strategy. One track focuses on bolstering immunity with vaccines and antibodies, while the other on the development of drugs. PanThera's approach is aimed at producing orally available small molecule drugs for protection against and treatment of emerging threats. Using sophisticated computational methods and high throughput screening, PanThera identifies safe, effective drugs that can be easily stored, distributed and administered in tablet form and will therefore have significant practical advantages for emergency stockpiling for military and civilian use.

PanThera will rely not only on its scientific team's experience in securing highly competitive research funding from the National Institutes of Health (NIH), but also will seek funds from the federal BioShield Program, established in 2004. The BioShield program, a joint program under the Department of Homeland Security and Health and Human Services, is designed to accelerate the development of drugs and vaccines to counter terrorism involving biological, chemical, nuclear, and radiological agents, and is considered a priority for national defense.

"PanThera will become a leader in the bio-defense market, developing oral drugs for anthrax, West Nile virus and dengue fever, in addition to a pipeline of therapeutic drugs for other infectious

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diseases," said Will Alameida, president and CEO of PanThera, and senior vice president of STI. "The significant and growing threat to national security and public safety from an array of biological weapons and infectious disease require accelerating scientific advances for new vaccines and drugs to protect people and save lives. PanThera is strategically positioned to develop and deliver safe, effective drugs that can be widely and quickly available to accomplish this goal."

STI has a long history in developing dual-use technologies – i.e., those with both military and civil applications – to create value and spin off new businesses. An example of this is STI's airborne imaging sensors which are used in military surveillance as well environmental monitoring applications such as classifying invasive species in ancient Hawaiian fish ponds. The same technology is also used in medical imaging to detect certain types of cancer.

PanThera's projects similarly have dual use, moving to meet the challenges presented by bioterrorism, and in so doing also making advances against natural contagions such as West Nile virus for which current treatments are limited or nonexistent. The implications for medical advances worldwide are significant.

"This strategic acquisition positions STI to leverage decades of management experience in the defense and life sciences industries to meet urgent national security needs," said Nicholas J. Susner, CEO and President of STI. "The acquisition is aligned with STI's mission of enhancing the quality of life through the innovative application of information and emerging technologies, and under STI's ownership we will accelerate PanThera's drug development programs targeting the BioShield program as well as broader commercial drug opportunities."

Dr. Leonard Firestone, CEO of HBI, added, "HBI is very pleased to partner with STI in the creation of PanThera Biopharma. The combination of the scientific expertise that STI has acquired, along with its experience with the defense establishment, should prove of great importance for our nation and for the safety and health of people all over the world."

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About PanThera Biopharma

PanThera Biopharma (PanThera) was established in 2006 as a subsidiary of STI Industries (STI) with a mission focused on addressing the urgent need for new drugs to combat emerging diseases and potential bioweapon and biowarfare agents. PanThera's proprietary technologies combined with its highly sophisticated computational and synthetic chemistry, and high throughput screening capabilities will result in the development and delivery of safe, effective drugs against biowarfare agents and infectious diseases.

About Will Alameida

A veteran of the technology industry with over 25 years experience, Will Alameida is President and

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CEO of PanThera Biopharma, and Senior Vice President of Science & Technology International, Inc. (STI) Alameida joined STI in 2000 as Vice President, Corporate Development, including all merger and acquisition activities. During his tenure at STI he is credited with the acquisition of TerraSystems, LLC. in 2000, which led to the spin-out of STI Services. He raised several million in equity financing and formed STI Research and STI Medical Systems in 2002. Alameida was awarded the "Hawaii's High Technology Leaders" Award in 2002 by PacificNews.net. He architected the spin-off of STI Government Systems and STI Services, as well as the sale of these STI divisions to BAE Systems, North America in 2004. This transaction was recognized as the "Deal of the Year" in 2004 by the Hawaii Venture Capital Association. As STI's S.V.P., Alameida leads all Corporate Development and Administration functions, and has also led the company's medical research and development. Prior to joining STI, Mr. Alameida held key positions at Viata On-Line, Alexander & Baldwin, Inc., MIPS Computer Systems, Inc., and Apple Computer, Inc. He started his career as a Financial Analyst at Raytheon Company. Mr. Alameida holds an M.B.A. from the Haas Business School at the University of California, Berkeley, and a B.A. from the University of California, Santa Barbara.

About STI

STI is a 25-year-old high technology company strategically focused on research, development and commercialization of technologies with "dual-use" applications in both defense and commercial markets. Under the leadership of Nicholas J. Susner, Chairman, CEO and President, STI is known for the development of world-class technology development and systems integration, and has become a pioneer in optical imaging for defense, environmental and medical applications. In 2004, STI spun-out and sold its Government Systems Division to BAE Systems, North America, for \$27 million. STI Government Systems was a premiere contractor to the U.S. government, developing innovative solutions for the Department of Defense and Department of Commerce with the company's expertise in photonics, information technologies and system integration. In addition to the STI Government Systems division, STI has subsidiaries strategically focused on medical diagnostic imaging (STI Medical Systems) and advanced technology research and development (STI Research).

About Hawaii Biotech, Inc. (HBI)

HBI is a privately held vaccine development company based in Aiea, Hawaii. HBI's vaccine development platform is based on production of proprietary antigens (proteins) that, when appropriately adjuvanted, provoke immune responses equivalent to, or better than, traditional live or inactivated viral vaccines - with a significantly improved safety profile. During the past 5 years, Hawaii Biotech received funding commitments of over US\$30 million from the U.S. National Institutes of Health and other prestigious governmental agencies, to develop vaccines to prevent human infection by the West Nile virus, Dengue Fever virus, pandemic and annual Influenza viruses, and other serious incurable diseases including hepatitis C, malaria, Tick-borne and Japanese encephalitis, Ebola, and Eastern equine encephalitis.