Company Update and Third Quarter 2007 Financial Results

Snapshot

ProMetic Life Sciences Inc. ("ProMetic" or "the Company") is a global biopharmaceutical company offering technologies for large-scale drug purification, drug development, proteomics (the study of proteins), clinical diagnostics, and the elimination of pathogens. ProMetic is also active in therapeutic drug development with the mission of bringing to market effective, innovative, lower cost products for the treatment of hematology disorders and cancer. The Company focuses its activities in the Protein Technologies and Therapeutics markets. ProMetic is headquartered in Mont-Royal, Québec (Canada), with manufacturing facilities in Canada and the Isle of Man (UK) and business development activities in the U.S., Europe, Asia, and the Middle East.

Recent Financial Data

<table>
<thead>
<tr>
<th>Ticker (Exchange)</th>
<th>PLI.TO (TSX)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Price (12/31/07)</td>
<td>$0.58</td>
</tr>
<tr>
<td>52-week Range</td>
<td>$0.31 - $0.75</td>
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<tr>
<td>Shares Outstanding²</td>
<td>258.7 million</td>
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<tr>
<td>Market Capitalization</td>
<td>$150 million</td>
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<tr>
<td>Average 3-month Volume</td>
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<tr>
<td>Insider +5% Owners</td>
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<td>Institutional Owners</td>
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<tr>
<td>EPS (Qtr. ended 09/30/07)</td>
<td>($0.03)</td>
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<tr>
<td>Employees</td>
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Key Points

All amounts in Canadian dollars (C$).

- ProMetic's revenues for the nine months ended September 30, 2007, were $6.7 million versus $1.5 million for the first nine months of 2006. This increase was primarily due to sales from ProMetic BioSciences Ltd (PBL) and a growth in demand for proprietary affinity products. Net loss for the year to date was $16.5 million, or ($0.07) per share, versus $20.5 million, or ($0.14) per share, for the same period in 2006. The decrease in net loss largely resulted from the Company's higher revenues.

- Pathogen Removal and Diagnostic Technologies Inc. (PRDT), a joint venture between ProMetic and the American Red Cross, is aligned with MacoPharma SA (Lille, France), one of the largest distributors of blood collection bag sets, for the development of the P-Capt™ filter for the reduction of prions from blood. The UK has initiated its implementation of the P-Capt™ filter, as a pre-adoption clinical evaluation of the P-Capt™ is now ongoing in both the UK and Ireland. This evaluation is a standard procedure of the National Blood Services before it concludes a long-term procurement agreement.

- Results of ProMetic's Phase II clinical trial of PBI-1402 in patients with chemotherapy-induced anemia (CIA) demonstrate that PBI-1402 induces sufficient erythropoiesis to increase hemoglobin levels and red blood cell counts of CIA patients in a safe and well-tolerated fashion. PBI-1402 is ProMetic's lead, orally active compound to treat anemia. The Company has also recently obtained positive preclinical data for PBI-1402 in anemia related to renal failure. These results indicate that daily oral PBI-1402 administration can increase circulating red blood cells and hemoglobin levels comparable to normal ranges if the kidneys fail to secrete sufficient amounts of erythropoietin (EPO), a natural stimulant of red blood cells.

- During 2007, ProMetic entered into several new agreements, including with Italy’s Kedrion S.p.A., Brazil’s Instituto de Tecnologia do Parana (Tecpar), Taiwan’s Blue Blood Biotech Corp., and a leading European plasma fractionator. The partnership with Kedrion gives ProMetic the rights to finished hyperimmune products in the North American market, creating the potential for short-term cash as well as royalties.

- At September 30, 2007, ProMetic had cash and cash equivalents of approximately $7.3 million. Subsequently, in December 2007, the Company executed a $1 million private placement with InvHealth Holding Inc., a holding company wholly owned by Mr. Pierre Laurin, ProMetic’s president and chief executive officer (CEO). Also in December, ProMetic secured access to a $15M equity draw down facility provided by shareholder Nanuq Investment Ltd. On December 14, 2007, ProMetic closed on a draw down for gross proceeds of $350,000. Nanuq was issued 610,968 subordinate voting shares at an average price of above $0.57 per share.

¹ All amounts in Canadian dollars (C$).
² As of November 7, 2007.
Financial Results and Recent Events

All amounts in Canadian dollars (C$), unless otherwise noted.

Third Quarter 2007 and Year-To-Date Financial Results

On November 14, 2007, ProMetic reported its financial results for the third quarter 2007, ended September 30, 2007. During the third quarter, total revenues for the Company were $0.7 million versus $0.4 million for the same period in 2006. This improvement was primarily due to the increased activities of ProMetic’s UK-based subsidiary, ProMetic BioSciences Ltd (PBL), for its proprietary affinity products as well as the execution of development agreements signed during 2007. In the first nine months of 2007, revenues related to ProMetic’s Protein Technologies businesses were more than quadruple those of the same period in 2006. Total revenues for the nine-month period of 2007 were $6.7 million versus $1.5 million for the first nine months of 2006.

According to a press release issued by ProMetic on November 14, 2007, the Company estimates that its Protein Technologies business can potentially generate more than $30 million in revenues during 2008, composed of the following: (1) between $8 million and $10 million from the Bioseparation business; (2) between $5 million and $7 million from Tecpar; (3) between $8 million and $10 million from plasma-derived therapeutics revenues; and (4) between $7 million and $10 million from Pathogen Removal and Diagnostic Technologies Inc. (PRDT), a joint venture between ProMetic and the American Red Cross.

Research and development (R&D) and costs of goods sold expenses during the third quarter 2007 were $4.9 million versus $4.5 million for the third quarter 2006. Year-to-date R&D and costs of goods sold expenses were $15 million versus $10.5 million for the year-ago period. R&D and cost of goods sold expenses increased mainly as a result of the following:

- the continuation of the Phase Ib/II clinical trials for the PBI-1402 program;
- the cost associated with the delivery of a major proprietary affinity product order that had been received in late 2006;
- the establishment of a U.S. subsidiary for the Plasma Protein Purification System (PPPS) technology; and
- the PRDT prion filter program.

General and administrative expenses were $1.4 million for the third quarter 2007 versus $2.4 million for the third quarter 2006. For the first nine months of 2007, general and administrative expenses were $4.3 million versus $5.8 million for the same period in 2006. The variance is mainly caused by legal expenses related to the litigation with the potential buyer of Hemosol LP incurred during the third quarter 2006. Amortization expenses for the three months ended September 30, 2007, were $0.6 million versus $0.5 million for the year-ago period. Year to date, amortization expenses were $1.7 million versus $1.6 million in 2006.

Net loss for the third quarter 2007 was $7 million, or ($0.03) per share, versus a net loss of $7 million, or ($0.04) per share, for the third quarter 2006. Year-to-date net loss was $16.5 million, or ($0.07) per share, for the first nine months of 2007 versus $20.5 million, or ($0.14) per share, for the same period in 2006. The significant decrease in net loss was primarily due to revenues resulting from the increase in activities of PBL.

At September 30, 2007, ProMetic had cash and cash equivalents of approximately $7.3 million versus roughly $20.8 million at December 31, 2006, and approximately $6.1 million at September 30, 2006. This cash balance does not reflect any upfront payments and other milestone payments from different licenses, such as Kedrion, Nabi Biopharmaceuticals (NABI-NASDAQ), and the Instituto de Tecnologia do Parana (Tecpar), which occurred after the quarter.
Recent Events

ProMetic has reported a series of announcements during 2007. An overview of these events is provided below and on pages 4-5, ordered by quarter. For complete press releases, refer to the Company’s website at www.prometic.com.

Fourth Quarter 2007 (Ongoing)

- On December 17, 2007, ProMetic announced that Scientific American named Dr. Robert G. Rohwer to its sixth annual listing of the top 50 scientists of 2007, the SA 50. Dr. Rohwer was named for his work on filtering prions from blood, which eventually evolved into the P-Capt™ filter, a product designed to remove infectious prions potentially present in red blood cell concentrates in order to reduce the risk of transmission of variant Creutzfeldt-Jakob Disease (vCJD), otherwise known as mad cow disease in humans. The P-Capt™ filter, which has received European Regulatory Approval (the CE mark), is co-promoted in the UK by PRDT and PRDT’s commercial and manufacturing partner, MacoPharma SA.

- In December 2007, ProMetic announced that it secured access to a $15M equity draw down facility provided by shareholder Nanuq Investment Ltd. Furthermore, on December 14, 2007, ProMetic closed on a draw down for gross proceeds of $350,000. Nanuq was issued 610,968 subordinate voting shares at an average price of above $0.57 per share.

- On December 12, 2007, the Company announced the execution of a $1 million private placement with InvHealth Holding Inc., which is a holding company wholly owned by Mr. Pierre Laurin, ProMetic’s president and chief executive officer (CEO). The private placement consists of 1,724,138 shares at a price of $0.58. The closing of this transaction brings Mr. Laurin’s direct and indirect ownership position to 12,817,293 subordinate voting shares of ProMetic, or 4.75% of the outstanding shares issued. Proceeds of this placement are intended to predominantly contribute to the acceleration of the development of PBI-1402, a novel, orally active low molecular weight synthetic compound with erythropoiesis-stimulating activity via a mechanism of action distinct from erythropoietin (EPO).

- On December 10, 2007, ProMetic announced that a Phase II trial of its investigational compound PBI-1402 induced a significant increase in red blood cell counts and hemoglobin levels in patients with chemotherapy-induced anemia (CIA). Additionally, no significant adverse events were observed. These results were presented in a poster session at the American Society of Hematology’s 49th Annual Meeting in Atlanta, Georgia.

- On November 8, 2007, the Company announced that it signed a preliminary agreement with Kedrion for multiple hyperimmunes, targeting what ProMetic estimates to be a $300 million market opportunity. According to the agreement, Kedrion, the world’s sixth largest plasma fractionator, will in-license ProMetic’s high-yield manufacturing and prion reduction technologies, paying license fees, service fees, and royalties to ProMetic for sales in Europe and grant back rights to the hyperimmune products to ProMetic for North America. In turn, ProMetic is to pay Kedrion royalties on sales of hyperimmune products in North America.

- On November 1, 2007, ProMetic reported positive preclinical results for PBI-1402. PBI-1402 was tested in the 5/6 nephrectomized rat model. This rat model simulates chronic renal failure in humans resulting in loss of kidney functions and anemia subsequent to a reduced level of EPO normally produced by the kidneys. The preclinical results indicate that a once daily oral administration of PBI-1402 increases circulating red blood cells and hemoglobin levels comparable to normal range values.

- On October 22, 2007, ProMetic announced nominations at its management level and the restructuring of its legal department in order to better position the Company to capitalize on recent and upcoming corporate development activities related to ProMetic’s main value drivers.
On October 4, 2007, the Company announced that it was selected by the American Society of Hematology to present data from its PBI-1402 clinical trial in patients with CIA at the 49th Annual Meeting. ProMetic's abstract is available on the American Society of Hematology's website under the heading "Annual Meeting Abstracts" at www.hematology.org/meetings/2007/index.cfm.

Third Quarter 2007

On September 19, 2007, ProMetic announced that PBL, in collaboration with a biomanufacturing client, again successfully implemented a large-scale purification bioprocess using a ProMetic Mimetic Ligand™ affinity adsorbent that met all of the client's performance targets. Approximately 800 liters of a commercial Mimetic Ligand™ product were packed and successfully operated in a 1.8 meter diameter process chromatography column. This column is to be used for the Good Manufacturing Practices (GMP) manufacture of a biological product, providing highly purified material for the next phase of a clinical program. Currently, 12 PBL bioseparation materials have been adopted for the manufacture of licensed biopharmaceuticals or have formed components of biomedical products that are approved for sale in the U.S. or Europe.

On September 12, 2007, ProMetic announced the expansion of its clinical program for PBI-1402 for the treatment of anemia in patients with myelodysplastic syndrome (MDS), a condition often referred to as pre-leukemia. MDS is diagnosed in approximately 25,000 individuals in North America annually (Source: Credit Suisse First Boston May 2005).

On August 27, 2007, ProMetic announced that PBL achieved key performance milestones for its new MAbsorbent® ligands targeted at the purification of monoclonal antibodies (MAbs) and recombinant antibody fragments (Fabs). The performance of ProMetic's new ligands against set targets was validated in collaboration with seven leading antibody producer companies in the U.S. and Europe.

On August 9, 2007, ProMetic announced that it unveiled its new human plasma technology transfer center for protein-based therapeutics in Rockville, Maryland (U.S.). This facility is anticipated to provide turn-key infrastructures for technology transfer to licensees of the Company's U.S.-based subsidiary, ProMetic BioTherapeutics, Inc. (PBT), providing high-value services resulting in cost savings to the licensees. It is intended to facilitate training of licensees' employees and successful implementation of technology transfer programs, while allowing PBT to provide additional services to licensees, such as supplying therapeutic products for clinical trials during integration of PBT's manufacturing process(es) into the licensees' facilities. The new center could also serve for internal product development and offer pilot-plant facilities suitable for scale-up. PBT's new facility will likely function as a future site for current GMP (cGMP) manufacturing of plasma-derived therapeutics.

On August 7, 2007, ProMetic and Tecpar initiated a $19 million joint development program under an agreement announced on March 22, 2007. ProMetic expects that this program could bring a projected $3 million to the Company in the third and fourth quarters of 2007 with additional anticipated revenues of $8 million in 2008. Tecpar's facility is scheduled to be operational in 2009.

On July 26, 2007, MacoPharma, ProMetic's partner in the development of the P-Capt™ filter, contributed its expertise to the panel of the "Independent Public Inquiry on Contaminated Blood and Blood Products" that was held in London on July 25, 2007. This is pursuant to PRDT and MacoPharma's efforts with the National Blood Transfusion Services of the UK and Ireland on the evaluation of the P-Capt™ filter.

On July 16, 2007, ProMetic and Laboratorios Dermatológicos Darier S.A. de C.V. (www.darier.com.mx), a market leader in dermatology in Mexico, announced that they signed an agreement for ProMetic's synthetic, anti-inflammatory compound—PBI-1308—in dermatological disorders. Under the agreement, Darier is responsible for the development of the drug formulation and the clinical program necessary to obtain regulatory approval for PBI-1308 in dermatological applications, and ProMetic provides Darier with preclinical information and supply of the active ingredient in bulk form.

On July 3, 2007, ProMetic announced that PBL signed a development contract with a prominent European plasma fractionator valued at US$1.7 million over the next 12 months. The program utilizes proprietary prion-binding ligands developed by PRDT.

**Second Quarter 2007**

On June 11, 2007, ProMetic and Taiwan’s Blue Blood Biotech Corp. ([www.blueblood.com.tw](http://www.blueblood.com.tw)) formed a strategic alliance to develop plasma-derived drugs for Taiwan and southeast Asian markets. This collaboration will likely initially target hyperimmune cytomegalovirus (CMV), as well as two other high-value therapeutics. This is the first opportunity for ProMetic and Kedrion to collaborate on a technology transfer, as was the intention when ProMetic announced its strategic alliance with Kedrion. This agreement represents a market opportunity that the Company believes exceeds $50 million in annual sales.

On June 7, 2007, BSafe Innovations Inc., a joint venture owned by ProMetic and Top Meadow Farms, confirmed the increased sensitivity of its first-generation product for Bovine Spongiform Encephalopathy (BSE) detection in cattle. BSE is also called mad cow disease. The Company is now focused on translating this first key milestone into a significant commercial opportunity.

**First Quarter 2007**

On May 14, 2007, ProMetic reported that PBL achieved profitability during the first quarter with net sales of $3 million. This trend continued in the second quarter 2007. The Company expects that it can sustain this growth via further revenue from affinity products and MacoPharma’s P-Capt™ filter, as well as $9 million in license and development fees over the next two years from ProMetic’s agreement with Tecpar.

On March 22, 2007, ProMetic announced a technology transfer and licensing agreement with Tecpar to locally manufacture a complex pharmaceutical product for the Brazilian domestic market as well as all other South American countries. The value of the contract is $19 million, of which $9 million is allocated to ProMetic for the license, milestones, and development. Another $10 million is designated for the modification of Tecpar’s current facility.

On March 13, 2007, the Company also announced a new strategic agreement with Kedrion. The alliance with Kedrion uses technology from PBT to create Orphan Drugs from plasma and target technology transfer opportunities in emerging markets.

On February 8, 2007, PBL was short listed in two categories—Innovation and International Trade—in Business Weekly’s East of England Business Awards. The Award winners were announced on March 22, 2007, at a presentation dinner held at Queens College in Cambridge.

On January 11, 2007, ProMetic announced that it received regulatory approval from Health Canada for the expansion of PBI-1402’s clinical program to include the treatment of anemic patients with chronic kidney disease (CKD). Nearly half of EPO sales in the U.S. are used for anemic patients with renal diseases, and as much as 60% of EPO used in CKD patients is actually for 10% to 15% of CKD patients who require a high dose of EPO to treat their anemia. The trial is designed to monitor the safety and tolerability of PBI-1402 and determine its additive effects when combined with EPO in this high-dose patient population.
Company Background

All amounts are in Canadian dollars (C$), unless otherwise noted.

ProMetic Life Sciences Inc. (“ProMetic” or “the Company”) is a global biopharmaceutical company offering technologies for large-scale drug purification, drug development, proteomics (the study of proteins), clinical diagnostics, and the elimination of pathogens. ProMetic is also active in therapeutic drug development with the mission of bringing to market effective, innovative, lower cost products for the treatment of hematology and cancer. As depicted in Table 1, ProMetic focuses its activities in the Protein Technologies and Therapeutics markets.

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<th>Table 1</th>
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<tr>
<td>ProMetic Life Sciences Inc.</td>
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<tr>
<td>CORPORATE FOCUS</td>
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<tr>
<td>Protein Technologies</td>
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<tr>
<td>Mimetic Ligand™ Technology</td>
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<td>• Bioprocess</td>
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<td>• Pathogen Removal</td>
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<tr>
<td>Therapeutics</td>
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Source: ProMetic Life Sciences Inc.

ProMetic has developed several proprietary technologies that have led to a number of collaborations, which generate revenue from various sources through companies and organizations active in the global biotechnology and pharmaceutical industries. A complete description of ProMetic’s business is provided within the Core Story section (pages 19-49) of the Executive Informational Overview® (EIO®), released February 16, 2007.

PROTEIN TECHNOLOGIES BUSINESSES

ProMetic’s core technologies and competencies revolve around proteins: identifying, isolating, and extracting valuable proteins with therapeutic properties, as well as detecting and removing impurities and pathogens. At the center of these applications is the Company’s Affinity Technology, which employs ProMetic’s proprietary Mimetic Ligand™ technology (highly stable chemical hooks that selectively recognize and bind to target biomolecules), thereby enabling the exploitation of a variety of applications where target biomolecules require purification or removal.

There are three major commercial activities driving ProMetic’s Protein Technologies businesses, as overviewed below and on page 7.

- **Bioprocesses.** Bioprocesses entail the sale of the Company’s Mimetic Ligands™ to biotechnology and pharmaceutical companies that use ProMetic’s technology as part of their manufacturing process for biopharmaceutical products. Over 30 companies, including GlaxoSmithKline plc (GSK-NYSE), Abbott Laboratories (ABT-NYSE), Novozyme Pharmaceuticals, Inc. (acquired by Genzyme Corp. [GENZ-NASDAQ]), and Pfizer Inc. (PFE-NYSE), rely on ProMetic’s technology for bioprocess.

- **Pathogen Removal.** Pathogen Removal is the use of specific Mimetic Ligands™ that are designed to target and remove pathogens. Prions, proteins that misfold and become infectious to cause mad cow disease in cattle and variant Creutzfeldt-Jakob disease (vCJD) in humans, were the first pathogens successfully targeted by ProMetic. Bioprocess and pathogen removal activities are predominantly driven by ProMetic’s UK-based subsidiary, ProMetic BioSciences Ltd ([PBL] detailed on page 7).
**Plasma-derived Therapeutics/Orphan Drugs.** Plasma-derived therapeutics/Orphan Drugs involves the use of Mimetic Ligands™ to specifically recover valuable proteins from human plasma and develop them in partnership with other companies. Partners in this business include companies such as Kedrion, Nabi, and Blue Blood. This activity is primarily driven by ProMetic’s U.S.-based subsidiary, ProMetic BioTherapeutics, Inc. ([PBT] described on pages 8-9).

**ProMetic BioSciences Ltd (PBL [UK])**

**Bioprocess and Pathogen Removal**

Based on the Isle of Man, UK, with a research and development (R&D) center in Cambridge, UK, ProMetic BioSciences Ltd (PBL) develops and markets the Company’s Affinity Technology.

MarketResearch.com (a supplier of relevant information for a variety of industries) states that the global market for biopharmaceuticals as of May 2005 was US$48 billion and is growing by a rate of 19% annually. The majority of this market is composed of protein biopharmaceuticals. Unlike traditional (chemically synthesized) pharmaceuticals, biopharmaceuticals are derived from a biological source, and consequently present new and unique manufacturing challenges—particularly in separating and purifying the target therapeutic protein from very similar, but unwanted, host cell proteins and other impurities. The process of separating the target protein from other components is called “bioseparation” or “downstream processing.” Efficient purification of the target biomolecule is often the means to commercial viability, as bioseparation can represent 50% to 70% of the total cost of manufacturing a therapeutic protein.

PBL has become a participant in the field of bioseparations, particularly for the purification of therapeutic proteins derived from recombinant deoxyribonucleic acid (DNA) technology or from plasma (the proteinaceous fluid component of blood), where the high binding selectivity of Mimetic Ligands™ provides increased product purities, improved yields, and reduced product cost.

Compared to conventional purification procedures, ProMetic’s technology can reduce the overall cost of isolating therapeutic proteins by up to 50%. This is achieved at the very beginning of the bioseparation process by the highly efficient capture of proteins, combined with a substantial removal of unwanted impurities, which simplifies the remainder of the purification process and increases yields of pure protein. Essentially, ProMetic’s Affinity Technology produces more of what is wanted, and less of what is not.

**Recombinant Proteins**

Recombinant proteins, unlike their plasma counterparts, are produced in non-human hosts and undergo an intensive purification process to remove host cell- and cell culture-derived impurities. ProMetic has developed affinity adsorbents and purification technology to meet the needs of recombinant protein purification, as well as for the growing niche market of monoclonal antibody (MAb) purification. MAbs, a key component of the recombinant protein market, represent a US$6 billion worldwide market, which is projected to increase to more than US$16 billion by 2008 (*Biotechnology Healthcare*, June 2005).

ProMetic’s Affinity Technology also has the potential to revolutionize the safety of biological products through the development of highly selective “filter” materials, designed specifically to bind and remove toxic or pathogenic agents, such as prions, viruses, and endotoxins. This technology has commercial applications in a wide range of areas, such as proteomics, industrial biopharmaceutical manufacturing, blood product safety, diagnostics, and therapeutics. The success of this technology has allowed ProMetic to undertake aggressive partnering strategies within diverse areas and support its business units.

**Pathogen Removal and Diagnostic Technologies Inc. (PRDT)**

PBL retains a 26% shareholder interest in Pathogen Removal and Diagnostic Technologies Inc. (“PRDT”), a joint venture between ProMetic and the American Red Cross. PRDT is working toward developing and commercializing products to reduce and diagnose pathogens in blood, blood derivatives, biopharmaceuticals, and other biological products. The alliance combines a wide group of disciplines within the fields of plasma products, bioseparation technology, biotechnology, and biosafety as it strives to improve manufacturing efficiency and product safety. In addition to its ownership in PRDT, PBL also
derives benefits through its manufacturing of the affinity resins and membranes used in the finished devices. PBL supplies the resins and membranes to MacoPharma, one of the largest distributors of blood collection bag sets. PRDT has also commenced sales to the biopharmaceutical industry of bulk resin applicable to prion reduction from human and animal-derived products.

The intent of the PRDT program is to develop and commercialize diagnostic and removal systems for pathogens, such as prions (the cause of Transmissible Spongiform Encephalopathies [TSEs]) and certain viruses, from blood and blood products based on each company’s respective expertise and technology. To date, several milestones have been achieved, including demonstrating that the PRDT filters can capture 99.99% of prions contained in blood or other biological fluids and receiving regulatory approval in Europe (the CE Mark) in September 2006. PRDT is also investigating the development of other commercial applications for detecting and removing TSEs in industries such as biopharmaceuticals, food, cosmetics, and personal care. This development could prove instrumental in the manufacture and distribution of an unprecedented number of new and efficient plasma protein-derived therapeutics.

BSafE Innovations Inc. (Canada)

BSafE Innovations Inc., operated under PBL’s umbrella, is the foundation of a joint venture between ProMetic and Top Meadow Life Sciences, Inc. (a subsidiary of Top Meadow Farms [Ontario, Canada]). This unit was created for the product development and commercialization of a diagnostic test using PRDT’s technology to detect mad cow disease (Bovine Spongiform Encephalopathy [BSE]) in live cattle. Development of the prion diagnostic system, as well as new systems, may be carried out through this new unit, which the Company intends to fund with government grants and additional sources of financing.

BSafE has recently confirmed the efficacy of its first-generation product to improve the sensitivity of current BSE diagnostic tests, and aims to launch the product by the second half of 2007. The unit is also working toward the launch of a second-generation product during the second half of 2008.

MacoPharma SA

In August 2004, MacoPharma aligned with PRDT and the American Red Cross to further develop and market products for the selective adsorption of pathogens (prions and viruses) out of blood and blood-derived products. Under the terms of the agreement, MacoPharma is to contribute 50% of the current and future development costs.

PRDT and MacoPharma successfully completed studies for a prion filter, known as the P-Capt™ filter, for the reduction of prions from blood. The filter received the CE Mark in September 2006, and sales of PRDT’s products used in P-Capt™ production have commenced and are primarily directed toward the pre-adoption implementation phase currently occurring in the UK and Ireland. To this extent, all efficacy and safety studies on the P-Capt™ filter requested by the National Blood Services of the UK and Ireland, as well as studies performed for regulatory purposes, have been completed. Additionally, a pre-adoption clinical evaluation of the P-Capt™ is now ongoing in both the UK and Ireland. This evaluation is a standard procedure of the National Blood Services before it concludes a long-term procurement agreement, such as with MacoPharma.

Since over 40 million units of blood are collected annually, filters designed to reduce the risk of transmitting prions and viruses via blood transfusion could represent a considerable market for PRDT and its partners.

ProMetic BioTherapeutics, Inc. (PBT [U.S.])

Based in Rockville, Maryland, ProMetic BioTherapeutics, Inc. (PBT) exploits the Company’s Plasma Protein Purification System (PPPS) as well as ProMetic’s other proprietary bioseparation technologies to isolate and extract therapeutic proteins from plasma.
Plasma Protein Purification System (PPPS) Technology

PPPS technology, also developed in collaboration with the American Red Cross (in a separate joint venture from PRDT), represents the next generation in plasma fractionation technology (to break down a substance into its component parts). There is a shortage of supply yet growing demand for high-value plasma proteins commonly used to treat a variety of medical conditions. To address this need, ProMetic has developed and optimized sequences of isolation steps for each plasma protein. This process increases the recovery yield of plasma proteins by up to 80% and allows for the recovery of additional new proteins—an outcome not previously possible on a commercial scale. These new proteins have the potential to receive Orphan Drug status and could rapidly advance to commercial status with the support of regulatory authorities and patient associations. The PPPS process can also be used by companies that believe the initial investment for new fractionation capacity could be more than offset by the return.

In July 2006, ProMetic completed the establishment of PBT to commercialize a technology platform developed under a collaborative agreement between ProMetic and the American Red Cross. This agreement provides that 16 of the American Red Cross's key scientists, employed at the American Red Cross's facilities in Rockville and Gaithersburg, Maryland, should work, among other things, on commercializing and licensing the PPPS technology, which has been licensed to PBT. PBT is to have exclusive use for the bulk manufacturing of plasma-derived therapeutic proteins via this jointly developed novel process and exclusive access to the affinity adsorbents developed and manufactured by PBL for the field of plasma-derived proteins.

The commercial strategy of PBT involves three distinct areas of focus: (1) licensing plasma fractionation processes to established pharmaceutical companies for proteins such as immunoglobulin G (IgG), alpha 1-proteinase inhibitor (A1PI), fibrinogen, von Willebrand Factor (vWF)/Factor VIII (FVIII), and albumin; (2) licensing processes for vaccines and hyperimmunes; and (3) developing new protein-derived pharmaceutical products via the application of PBT's novel processes.

Nabi Biopharmaceuticals

ProMetic has a license agreement with Nabi for specific hyperimmune products. Nabi leverages its experience and knowledge in powering the immune system to develop and market products that fight serious medical conditions. The agreement combines ProMetic's PPPS technology with Nabi's expertise in the large-scale development and manufacture of hyperimmune products.

Kedrion S.p.A.

ProMetic and Kedrion, a biotechnology company specializing in the development, production, and distribution of plasma derivatives, have recently signed an agreement for the development of multiple hyperimmunes, targeting what the Company believes to be a $300 million market opportunity. This follows the establishment of a strategic alliance between PBT and Kedrion to develop Orphan Drugs derived from human plasma utilizing ProMetic's PPPS process. The two companies created the alliance to select certain proteins that can be manufactured into drugs that either have received Orphan Drug designation or have the potential to receive this status. This alliance may also jointly implement technology transfers to developing countries (emerging markets) with the objective of increasing the availability of plasma derivatives in systems where production is particularly low.

Blue Blood Biotech Corp.

PBT and Blue Blood, a leading biotechnology firm based in Taiwan, formed a strategic alliance to develop drugs derived from human plasma utilizing ProMetic's proprietary manufacturing process. The alliance between the two companies initially targets hyperimmune cytomegalovirus (CMV), as well as two other high-value therapeutics. Taiwan and Southeast Asia are the primary markets, representing a market opportunity estimated to exceed $50 million in annual sales.
THERAPEUTICS

In addition to Protein Technologies, ProMetic is also developing in-house therapeutics that target hematology and oncology indications, as addressed below and on pages 11-12.

ProMetic BioSciences Inc. (PBI [Canada])

ProMetic BioSciences Inc. (“PBI”) is focused on the discovery and development of proprietary drugs within the fields of hematopoiesis (anemia and neutropenia), cancer, and, to a lesser extent, autoimmune diseases/inflammation. The mission of this therapeutic unit is to develop innovative, less toxic, and lower cost alternatives to currently marketed but costly recombinant protein drugs. This business unit is actively looking for partners to co-develop and market its lead compound for the treatment of anemia: PBI-1402.

Anemia

Anemia is a condition in which the number of red blood cells (erythrocytes) or the hemoglobin in them is below normal. Hemoglobin is an iron-rich protein that gives blood its red color and enables red blood cells to carry oxygen from the lungs to all parts of the body and carry carbon dioxide to the lungs so that it can be exhaled. A person becomes anemic when the body produces too few healthy red blood cells, loses too many of them, or destroys them faster than they can be replaced. As a result, a person’s blood is too low in red blood cells to carry oxygen to their tissues, causing a number of symptoms, which may include weakness, pallor, a fast heartbeat, shortness of breath, chest pain, dizziness, cognitive problems, numbness, or coldness in the extremities, and headaches.

Anemia is caused by or associated with a wide range of conditions, ranging from chronic kidney disease (CKD) and end-stage renal disease ([ESRD] dialysis patients) to Acquired Immune Deficiency Syndrome (AIDS), hepatitis, cancer, chemotherapy, and other conditions. The National Kidney Foundation estimates that the U.S. CKD population exceeds 20 million people, with as many as 67 million people in the U.S. with hypertension and diabetes at risk for CKD and subsequently anemia.

Erythropoietin (EPO) is a protein produced naturally in the kidneys that stimulates red blood cell production in the body. A shortage of EPO in the body can cause anemia. Recombinant erythropoietin (rhEPO) drugs are presently being used to increase hemoglobin in patients with chemotherapy-induced anemia (CIA). Yet, recent statistical disclosures regarding effects potentially associated with rhEPO has led the U.S. Food and Drug Administration (FDA) to state, “that the primary objective in treating anemia in cancer patients is to increase gradually the concentration of hemoglobin to the lowest level sufficient to avoid the need for blood transfusion” (Source: New England Journal of Medicine June 2007). Risks of many current erythropoiesis-stimulating agents (ESAs) include thromboembolic disease, promotion of tumor growth, and decreased survival.

The market for EPO was estimated at US$10.7 billion in 2005, according to Informations Sekretariat Biotechnologies (www.i-s-b.org/business/rec_sales.htm). The primary market drivers for this compound’s annual growth rate of 12.5% are improvements in the drug delivery technologies and expansion of the aging population. However, it is estimated that nearly 50% of patients with certain types of anemia do not respond to treatment with rhEPO and require blood transfusions as a result.

Presently, there is a need to find alternative treatment options that can be used as a monotherapy or that have compatible mechanisms of action, allowing them to be used in combination with lowered doses of existing rhEPO drugs. With new options, treatment of anemia could be more cost effective and may enable greater flexibility in patient management.

PBI-1402

PBI-1402 is a low molecular weight synthetic compound being developed to treat different types of anemia, such as CIA or anemia associated with CKD. The compound has yielded a proven positive effect in the formation of red blood cells in human bone marrow. Preclinical data has shown that PBI-1402 has an additive effect with rhEPO. Because rhEPO and PBI-1402 have different mechanisms of action, the
Company anticipates that a combination of PBI-1402 and rhEPO may either improve clinical outcomes or maintain clinical efficacy using lower doses of rhEPO than those currently administered.

ProMetic has also reported positive preliminary results from its Phase I clinical study in healthy human volunteers confirming that the drug, taken orally, increases the absolute and relative number of reticulocytes (immature red blood cells) in the blood.

**PBI-1402 in Chemotherapy-Induced Anemia (CIA)**

ProMetic has advanced PBI-1402 into an open-label, dose-ranging Phase II clinical trial for patients with CIA. The Phase II trial is studying PBI-1402’s safety, tolerability, and biological efficacy on hemoglobin levels and red blood cell counts in CIA patients. It is being conducted at sites in both Europe and Canada, and is managed by a U.S. contract research organization (CRO).

Patients recruited into the PBI-1402 trial were anemic as a result of chemotherapy, and their chemotherapy treatment was successfully continued throughout the duration of the trial. Increasing the level of hemoglobin and avoiding blood transfusions were considered to be clinically significant outcomes.

In this trial, PBI-1402 is being tested as a monotherapy, with no patient receiving rhEPO. Patients were separated into three cohorts of six CIA patients each receiving eight weeks of daily PBI-1402 treatments. Each cohort received a different dose level of PBI-1402. Trial participants were monitored every two weeks for safety, tolerability, and biological efficacy. Thus far, 12 people have completed the trial, with results scheduled to be presented at the American Society of Hematology’s 49th Annual Meeting in early December 2007. These results include the following key points:

- 83% of patients demonstrated a significant increase in red blood cell counts ($p = 0.015$);
- 66% of patients demonstrated a significant increase in hemoglobin levels ($p = 0.038$);
- the mean hemoglobin increase in responders was $1.1 \text{ g/dL} (p = 0.0007)$ from a baseline value of 9.8 g/dL;
- only one patient had a hemoglobin level below 9 g/dL (8.9 g/dL);
- in patients with low levels of neutrophils (white blood cells), neutrophil counts improved, while patients with originally normal levels remained unchanged;
- no patient required a blood transfusion; and
- PBI-1402 was well tolerated with no significant side effects observed.

Based on the data, researchers concluded that PBI-1402’s novel mechanism of action (distinct from that of EPO) could induce sufficient erythropoiesis to increase hemoglobin levels and red blood cell counts of CIA patients in a safe and well tolerated fashion. Accordingly, the Company believes that PBI-1402 is a potential therapy for CIA, and consideration of possible partners has been accelerated as a result of the compound’s positive clinical data in CIA patients.

ProMetic recently expanded the CIA trial to include more patients at the lowest dose level demonstrating efficacy. The Company seeks to enroll 30 patients. These expanded results are expected to be released during the second quarter 2008.

**PBI-1402 in Myelodysplastic Syndrome (MDS)**

PBI-1402 has been expanded into a Phase II clinical trial in MDS, which is also known as pre-leukemia. In MDS patients, the bone marrow does not function normally, thereby affecting the production of blood cells. MDS is diagnosed in approximately 25,000 individuals in North America annually. Moreover, ProMetic estimates that only 20% of pre-leukemia patients respond to rhEPO treatments, with most patients eventually needing blood transfusions. Because PBI-1402’s mechanism of action is different from
rhEPO, ProMetic believes that the compound may offer an alternative treatment for MDS. Results from this trial are expected during 2008.

PBI-1402 in Anemia Related to Renal Failure

ProMetic reported positive preclinical results for PBI-1402 in anemia related to renal failure on November 1, 2007. PBI-1402 was tested in the 5/6 nephrectomized rat model, which simulates chronic renal failure in humans resulting in loss of kidney functions and anemia subsequent to a reduced level of EPO normally produced by the kidneys. These new preclinical results indicate that a once daily oral administration of PBI-1402 increases circulating red blood cells and hemoglobin levels comparable to normal range values. To date, ProMetic has reported efficacy of PBI-1402 in humans and in animal models where bone marrow was suppressed by chemotherapy. These new preclinical results indicate for the first time that PBI-1402 has the ability to reverse anemia when kidneys have failed to secrete sufficient amounts of EPO to maintain normal levels of red blood cells and hemoglobin.

Autoimmune Disease/Inflammation

PBI has also developed novel molecules for the treatment of autoimmune diseases. Autoimmune diseases refer to a group of disorders characterized by a misdirected immune response, which leads to chronic inflammations. These unwanted inflammations may affect a wide variety of areas, including the joints (arthritis), skin (psoriasis), nerves (multiple sclerosis [MS]), and pancreas (Type 1 diabetes). Many autoimmune diseases may be progressively debilitating and potentially fatal, such as systemic lupus erythematosus (SLE), which claims the lives of 10% to 15% of afflicted patients within a decade of diagnosis. Some of these molecules have been recently discovered to possess significant in vivo anticancer activity.

EMPLOYEES AND CORPORATE HISTORY

ProMetic Life Sciences Inc. (Headquarters)

ProMetic Life Sciences Inc. (ProMetic), originally known as Affinity Chromatography Ltd (ACL), was created as a spin-off of the University of Cambridge (UK) in 1988. The UK group was solely focused on the application of Affinity Technology to the bioseparations market. Followed by a series of corporate developments, including the creation and incorporation of ProMetic in Canada in 1994, ProMetic became a publicly traded company on the Toronto Stock Exchange (TSX) in 1998 under the symbol PLI.TO. ACL became a wholly owned subsidiary of ProMetic in 1999, and recently the Company reorganized into distinct business units and instituted partnerships with the American Red Cross. ProMetic employs approximately 120 individuals throughout all of its business units, including at three R&D centers in the UK, the U.S., and Canada. Headquartered in Mont-Royal, Québec (Canada), ProMetic has manufacturing facilities in Canada and on the Isle of Man and business development activities in the U.S., Europe, Asia, and the Middle East.
Key Points to Consider

All amounts in Canadian dollars (C$).


- In early 2002, ProMetic and the American Red Cross formed Pathogen Removal and Diagnostic Technologies Inc. (PRDT). The combination of each organization’s proprietary technologies has given PRDT a unique opportunity to capitalize on a variety of emerging and established markets through its targeted technology. The PRDT joint venture is focused on leveraging advanced technologies to develop and commercialize a variety of products to reduce and diagnose pathogens in blood, blood derivatives, biopharmaceuticals, and other biological products.
  
  o PRDT develops affinity products to bind and remove key viruses from blood and biopharmaceutical products. It has also recently commenced sales to the biopharmaceutical industry of bulk resin applicable to prion reduction from human and animal-derived products.

  o PRDT and MacoPharma, one of the largest distributors of blood collection bag sets, are partnered in the development of the P-Capt™ filter for the reduction of prions from blood. The filter received the CE Mark in September 2006, and the UK has initiated its implementation of the P-Capt™ filter, as a pre-adoptation clinical evaluation of the P-Capt™ is now ongoing in both the UK and Ireland. This evaluation is a standard procedure of the National Blood Services before it concludes a long-term procurement agreement.

- The American Red Cross and ProMetic initiated a second strategic alliance in 2003 for an innovative and improved plasma protein purification process based on ProMetic’s Affinity Technology for the recovery of therapeutic proteins from plasma. Based on ProMetic’s Affinity Technology, the ProMetic/American Red Cross team has successfully developed a preferred sequence of capture steps referred to as the Plasma Protein Purification System (PPPS). This process is designed to extract the most valuable therapeutic proteins from plasma and give higher protein recoveries.

- The Company is also developing PBI-1402, a first-in-class drug candidate for various types of anemia. PBI-1402 has a different mechanism of action than recombinant erythropoietin (rhEPO), which is presently used to increase hemoglobin in patients with chemotherapy-induced anemia (CIA). PBI-1402 is a low molecular weight, synthetic compound with demonstrated oral activity that has shown efficacy in treating CIA and anemia associated with chronic kidney disease (CKD). In addition, PBI-1402 was also expanded into a Phase II clinical trial in patients with myelodysplastic syndrome (MDS), often referred to as pre-leukemia.

  o Recently obtained results from the Company’s clinical trial with PBI-1402 in CIA patients demonstrate that PBI-1402 induces sufficient erythropoiesis to increase hemoglobin levels and red blood cell counts of CIA patients in a safe and well-tolerated fashion. Of the 12 patients who have completed the trial thus far, 83% had a significant increase in red blood cell counts and 66% had a considerable improvement in hemoglobin levels. Additionally, no patient has required a blood transfusion. Greater details of this trial’s results are scheduled to be presented at the American Society of Hematology’s 49th Annual Meeting in early December 2007.

  o ProMetic’s positive preclinical results for PBI-1402 in anemia related to renal failure indicate for the first time that PBI-1402 has the ability to reverse anemia when kidneys have failed to secrete sufficient amounts of EPO to maintain normal levels of red blood cells and hemoglobin. PBI-1402 was tested in the 5/6 nephrectomized rat model, which simulates chronic renal failure in humans resulting in loss of kidney functions and anemia subsequent to a reduced level of EPO normally
produced by the kidneys. Data found that a once daily oral administration of PBI-1402 increases circulating red blood cells and hemoglobin levels comparable to normal values.

- ProMetic has a large number of partnerships that generate revenue and are intended to gain industry acceptance for its technologies, including the sale of proprietary therapeutics, pathogen removal devices, and bioseparation media, as well as royalties and milestone payments from products sold by partners using ProMetic’s technology in their manufacturing processes.
  
  - In March 2007, the Company entered into a technology transfer and licensing agreement with the Instituto de Tecnologia do Parana (Tecpar), a state-owned enterprise in Brazil. Under the agreement, which allocates approximately $9.0 million to ProMetic in the form of license, milestone, and development payments, ProMetic granted Tecpar an exclusive license to the Company’s technology for use in a select biopharmaceutical product for the South American market. ProMetic is managing the development of a proprietary manufacturing process based on technology licensed from the Biotechnology Research Institute (part of the National Research Council of Canada) and the Company’s bioseparation process, which uses Mimetic Ligand™ technology.
  
  - Also during March 2007, PBT formed a strategic alliance with Kedrion to develop Orphan Drugs from human plasma utilizing the PPPS process. This alliance aims to jointly implement potential partnerships for technology transfer opportunities in emerging markets. ProMetic expects that this relationship can drive significant value for its PBT subsidiary.
  
  - In June 2007, ProMetic and Blue Blood of Taiwan formed a strategic alliance to develop plasma-derived drugs for Taiwan and Southeast Asian markets. It is expected to initially target hyperimmune cytomegalovirus (CMV), as well as two other high-value therapeutics. This is the first opportunity for ProMetic and Kedrion to collaborate on a technology transfer.
  
  - In July 2007, ProMetic announced the signing of a development contract between PBL and a European plasma fractionator valued at US$1.7 million through July 2008.
  

- A significant portion of ProMetic’s partnering practices occurs within its PBL unit, and are specifically related to recombinant proteins. PBL licenses its Affinity Technology for use in product manufacturing at many other companies, including GlaxoSmithKline, Abbott, Novazyme, Halozyme Therapeutics, Inc. (HALO-NASDAQ), Serono S.A. (now Merck Serono S.A.), and Novartis AG (NVS-NYSE).

- ProMetic is managed by a team of individuals with decades of experience in the biotechnology, bioprocessing, and biopharmaceutical industries. The Company also relies on Advisory Committees composed of experts in biopharmaceuticals, clinical study, biotechnology, and bioprocessing. These members provide ProMetic with guidance for appropriate strategies in research and development, clinical trials, regulations, and commercialization related to the Company’s platform technology and portfolio of proprietary therapeutic products.

- The Company’s intellectual property is protected by numerous patents filed in Canada, the U.S., and worldwide. ProMetic also has patent applications pending in each of these jurisdictions.

- At September 30, 2007, ProMetic had cash and cash equivalents of approximately $7.3 million versus roughly $20.8 million at December 31, 2006, and approximately $6.1 million at September 30, 2006. Additionally, on December 12, 2007, the Company executed a $1 million private placement with InvHealth Holding Inc., a holding company wholly owned by Mr. Pierre Laurin, ProMetic’s president and chief executive officer (CEO). Also in December 2007, ProMetic secured access to a $15M equity draw down facility provided by shareholder Nanuq Investment Ltd. On December 14, 2007, ProMetic closed on a draw down for gross proceeds of $350,000. Nanuq was issued 610,968 subordinate voting shares at an average price of above $0.57 per share.
Risks

Some information in this update relates to future events or future business and financial performance. Such statements can be only predictions and the actual events or results may differ from those discussed due to, among other things, the risks described in ProMetic's reports in its Annual Information Filing (AIF), press releases, and other forms filed from time to time. The content of this update with respect to ProMetic has been compiled primarily from information available to the public and released by ProMetic through news releases and System for Electronic Document Analysis and Retrieval (SEDAR) filings. ProMetic is solely responsible for the accuracy of that information. Information about other companies has been prepared from publicly available documents and has not been independently verified by ProMetic. Certain summaries of activities have been condensed to aid the reader in gaining a general understanding. For more complete information about ProMetic, please refer to the Company’s website at www.prometic.com. Additionally, refer to Crystal Research Associates’ base report, the Executive Informational Overview® (EIO®) dated February 16, 2007, and located on Crystal Research Associates’ website at www.crystalra.com for more comprehensive details of Risk Factors.
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Some of the information in this report relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can be only predictions and the actual events or results may differ from those discussed due to, among other things, the risks described in ProMetic’s reports on its Annual Information Filings (AIFs), press releases, and other forms filed from time to time. The content of this report with respect to ProMetic has been compiled primarily from information available to the public released by ProMetic. ProMetic is solely responsible for the accuracy of that information. Information as to other companies has been prepared from publicly available information and has not been independently verified by ProMetic or CRA. Certain summaries of scientific activities and outcomes have been condensed to aid the reader in gaining a general understanding. For more complete information about ProMetic, the reader is directed to the Company’s website at www.prometic.com. This report is published solely for information purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. Free additional information about ProMetic and its public filings, as well as free copies of this report can be obtained in either a paper or electronic format by calling (514) 341-2115.