

PRESS RELEASE

BIOPOTENTIAL CAPITAL INC. ANNOUNCES SIGNING OF A LICENSING AGREEMENT FOR A NOVEL ALZHEIMER'S DIAGNOSTIC TECHNOLOGY BY OSTA BIOPHARMA INC.

CALGARY, AB – March 22, 2005 - Biopotential Capital Inc., a capital pool company listed on the TSX Venture Exchange (TSX-V: BPI.P), is pleased to announce the signing of a licensing agreement for a novel Alzheimer's diagnostic technology by Osta Biopharma Inc. (Osta), the Montreal-based private company which Biopotential has agreed to acquire as its qualifying transaction, subject to acceptance by the TSX Venture Exchange and in accordance with the policies of the TSX Venture Exchange.

Licensing Agreement for Alzheimer's Diagnostic Technology

Osta has signed a licensing agreement with Dr. Hyman M. Schipper and the Sir Mortimer B. Davis Jewish General Hospital (JGH) to develop and commercialize a novel diagnostic blood test for Alzheimer's disease (AD) on a world-wide exclusive basis. Currently, there are no commercial blood-based biological markers with proven utility in the evaluation of patients with sporadic (non-familial) AD. In addition, the licensing agreement gives rights to Osta on a world-wide exclusive basis to develop and commercialize transgenic animal models and therapeutics for AD based on the licensed technology.

The licensed diagnostic/prognostic technology has been developed by Dr. Hyman M. Schipper, a Professor of Neurology & Medicine at McGill University and the Director of Centre for Neurotranslational Research at the Lady Davis Institute for Medical Research, JGH. The technology is based on a key protein called Heme Oxygenase-1 (HO-1). The presence of a plasma HO-1 suppressor (HOS) activity has been shown for the first time by Dr. Schipper to distinguish AD patients from normal young controls (NYC), normal elderly controls (NEC), people with mild cognitive impairment (MCI) and people suffering from Parkinson's Disease (PD). In a clinical study conducted at the JGH involving a total of 82 subjects, the % HOS activity was found to be 9% in the plasma of NYC subjects, 13% in the plasma of NEC subjects, 38% in the plasma of MCI subjects, 72% in the plasma of AD patients (P<0.001 relative to NEC, P<0.001 relative to MCI) and 29% in the plasma of PD patients. Dr. Schipper's results indicate that measurement of plasma HOS activity may provide an exciting new biological marker for the evaluation of patients with dementing diseases and form the basis of a novel and revolutionary blood test for the accurate diagnosis/prognosis of sporadic (non-familial) AD.

Alzheimer's disease is the most common form of adult-onset dementia. The causes of AD are not known, but major risk factors include old age and a family history of dementia. However, the incidence of familial AD is less than 10% of the total, suggesting other important factors besides genetic mutations.

At present, the degree of cognitive impairment is assessed by physicians using Mini-Mental State Examination (MMSE), neuropsychology, blood tests to exclude potentially reversible causes of memory loss and neuroimaging. However, these techniques are tedious, expensive and often inconclusive. There are several genetic markers such as Presenilin-1, Presenilin-2, and mutant APP that can identify relatively uncommon (<10%) cases of familial AD but have no role in the management of patients with the far more prevalent sporadic forms of the illness. Measurements of CSF-Tau and CSF-Amyloid have proven to be useful biomarkers of sporadic AD, but these measurements require a relatively invasive spinal tap that is not ideal for the mass screening of patients with memory loss. The development of plasma HOS activity as a reliable test for the early diagnosis and prognosis of sporadic AD would represent a breakthrough in the management of this devastating neurodegenerative condition.

Dr. Ajay Gupta, Osta's Chairman & CEO, commented "we are very pleased to have licensed this exciting technology from Dr. Schipper and the JGH. The addition of this technology to our growing portfolio of exciting diagnostic and therapeutic products has strengthened our commitment to developing novel medical solutions for the aging population. We plan to scale up the clinical studies for the validation of HOS factor as a biomarker for AD diagnosis/prognosis, obtain approval for marketing from regulatory agencies such as US FDA and license it out for commercialization to diagnostic companies world-wide in about 2 years and initiate the development of novel AD therapeutics based on this promising technology".

Status of Qualifying Transaction

Biopotential also announces that it has filed a draft filing statement and supporting documentation with regulatory authorities in connection with the proposed qualifying transaction.

Trading in the securities of a capital pool company should be considered highly speculative. The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy for this release.

Certain information in this press release is forward-looking and is subject to numerous risks and uncertainties. By their nature, such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. These risks include actions of Osta's competitors, and those inherent in scientific research and development.

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