

For Immediate Release
March 31, 2006

Pioneer Surgical Technology and Encelle, Inc. have entered into an R&D collaboration for continuing the development of the E-Matrix™ product for use in spinal fusions.

On Wednesday, March 29, 2006, Pioneer Surgical Technology and Encelle, Inc. formalized a mutual product development collaboration.

Pioneer is a Marquette, MI based medical device firm dedicated to developing, manufacturing, and distributing specialized orthopaedic and spinal implants and instruments. Founded in 1992, Pioneer has progressively edged into the orthopaedic implant market, and is currently concentrating its efforts on becoming a full line spinal company.

Encelle, Inc. is a privately held, venture capital backed company that is developing multiple applications of its lead product, E-Matrix™, to repair or regenerate diseased or damaged tissue. The company's patented tissue regeneration technology has broad application for multiple therapeutic indications. The company is headquartered in Raleigh, N.C, with research and pilot production facilities in Greenville, N.C.

The anticipated products resulting from this alliance include a bone graft extender that may stimulate healing in a variety of spinal applications. This material would potentially offer surgeons an alternative to the traditional method of harvesting autologous bone (taken from a donor site on the patient's body to be used during the surgery). Encelle's technology may offer significant benefits to the patient, which could include a decrease in pain and morbidity as well as a fusion rate comparable to or better than that with autologous bone.

Developmental products show great promise in other areas including soft tissue regeneration.

Pioneer Surgical Technology is striving for complete solutions to spinal disorders which include both mechanical and biological devices. Encelle's E-Matrix is a biological extracellular scaffold that promotes tissue specific regeneration depending upon the environment that the material has been placed.