

For Immediate Release
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Pioneer Surgical Technology Acquires Encelle, Inc.
Pioneer Surgical to Enter Orthobiologics Market

Marquette, MI – June 4, 2007 – Pioneer Surgical Technology today announced its acquisition of Encelle, Inc., headquartered in Raleigh, NC with research and pilot production in Greenville. Encelle is a developer of novel products for tissue regeneration including E-Matrix™, a sterile, injectable biopolymer designed to repair or regenerate diseased or damaged tissue.

“We are excited about the addition of Encelle and its innovative products and pipeline to the Pioneer family,” said Matthew N. Songer, M.D., Chairman and CEO of Pioneer Surgical Technology. “This acquisition marks Pioneer’s entry into orthobiologics, a \$1.2 billion a year market, and is a strategic fit with our overall long-term growth objectives.”

Terms of the acquisition were not disclosed. Encelle will become a wholly-owned subsidiary of Pioneer Surgical Technology and be renamed Pioneer Surgical Orthobiologics. The company will continue operations in its Greenville facility.

In March 2006, Pioneer Surgical Technology entered into a research and development collaboration with Encelle for the development of orthopedic products other than craniofacial applications. Under this agreement, Pioneer and Encelle began development of a family of products to assist in the repair and regeneration of bone and soft tissue. The initial focus of this collaboration was on products for enhanced spinal fusion. Pioneer received an exclusive worldwide license to distribute products developed under the agreement.

“This acquisition further demonstrates Pioneer’s commitment to innovation and to developing and creating devices that provide patients with improved quality of life,” said Dr. Songer.

About Pioneer Surgical Technology

Pioneer Surgical Technology, headquartered in Marquette, Michigan, is a leading innovator in the design and manufacture of spinal and orthopedic implants. Founded in 1992, Pioneer has positioned itself as a true surgeon-driven spinal device company that promotes responsiveness through customer intimacy, surgeon-to-surgeon relationships, and a commitment to innovation. In 2005 Pioneer launched several spinal implant systems: Quantum Spinal Rod, Pioneer Anterior Cervical Plate and its PEEK-Plus Vertebral Replacement Devices. Additionally, Pioneer received the European CE mark for the NUBAC™ Intradiscal System,

The company is expanding its 70,000 square foot facility in Marquette as it continues to grow its spinal and orthopaedic products. Pioneer currently employs more than 200

employees worldwide and has been awarded 30 patents. For more information, visit www.pioneersurgical.com.

About Encelle, Inc.

Encelle, Inc. (www.encelle.com) has developed novel products for tissue regeneration. The company has developed and patented an injectable biopolymer that is expected to have broad application for multiple therapeutic indications. Product development programs are under way in tendon and bone repair, dermal wound repair, cosmetic surgery, and dental applications. The company is located in Greenville, N.C.

For more information contact Steve Severson, Pioneer Surgical Technology, at 906-226-4449 or visit www.pioneersurgical.com