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NEWS RELEASE **June 28, 2007**

Sequella and Chembio Receive Marketing Approval for New Rapid Detection Diagnostic of Tuberculosis (TB) in Non-Human Primates

Company to Receive Royalty Payments from Chembio

Rockville, MD – June 28, 2007- Sequella, Inc.("Sequella"), a clinical-stage biopharmaceutical company focused on commercializing improved treatments for diseases of epidemic potential, along with its product partner, Chembio Diagnostic Systems Inc.("Chembio"), has been notified by the USDA that its new rapid TB detection diagnostic in nonhuman primates (NHP), PrimaTB STAT-PAK®, has been cleared for marketing approval. The diagnostic was jointly developed by the two companies with the support of Phase I and Phase II Small Business Innovation Research (SBIR) grants to Sequella from the National Institute of Allergy and Infectious Diseases (NIAID) and the National Center for Research Resources (NCRR), both are part of the National Institutes of Health (NIH).

"The partnership with NIH and Chembio was a model public private partnership," said Dr. Carol Nacy, CEO of Sequella. "With the support of SBIR grants and hard work of scientists at both Chembio and Sequella, we were able to develop and commercialize this important new veterinary product."

The PrimaTB STAT-PAK® Assay is a rapid lateral-flow test for the detection of TB antibodies in NHP. The test employs a unique multi-antigen set of recombinant *Mycobacterium tuberculosis* proteins that immune cells of NHP can recognize, and can be used with serum, plasma, or whole blood samples to provide "yes-or-no" results within 20 minutes. When used alone or in combination with tuberculin skin testing, PrimaTB STAT-PAK can help reduce TB transmission in primate colonies.

"TB infection in a nonhuman primate can mean the loss of animals that costs several thousand dollars each," said Les Stutzman, VP of Marketing at Chembio. "In addition, other NHP that come in contact with the infected animal also have to be tested and euthanized if found to be infected. We believe this new test will help ensure the health and well-being of NHP and humans in a variety of settings."

TB is a zoonotic disease transmissible from human to animal, and vice versa, as well as within a species. The occurrence of TB in NHP can be devastating, spreading quickly through NHP colonies and leading to increased fatalities within infected populations, thus compromising a valuable and sparse resource for biomedical research.

Chembio's position is that the global market potential for a more sensitive, rapid, and convenient assay like PrimaTB is currently estimated at 500,000 tests annually, and extends across a widely diverse market segment from major pharmaceutical firms, academic research facilities, quarantine holding and breeding facilities to zoo and conservation centers. Chembio entered into an exclusive multi-year North American distributor licensing agreement with Centaur Inc. of Overland Park, Kansas. Chembio will pay a royalty to Sequella on sales of the diagnostic tests.

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About Sequella, Inc.

Sequella is a clinical-stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential. The company leverages its global influence, infectious disease expertise, and diverse product portfolio to proactively address emerging health threats with significant market opportunity. The Company's lead drug candidate, SQ109, a new orally-active diamine antibiotic for the treatment of tuberculosis (TB) and other infectious diseases, is presently in Phase I clinical studies and has received the FDA Fast Track designation. The company's lead diagnostic product candidate, the TB Patch, is completing several international clinical trials in anticipation of world-wide product registration. For more information, please visit www.sequella.com.

About Chembio

Chembio Diagnostics, Inc., a developer and manufacturer of rapid diagnostic tests for infectious diseases, is on the frontlines of the global battle against the AIDS pandemic. The Company has received marketing approval from the FDA for its SURE CHECK® HIV 1/2 and HIV 1/2 STAT-PAK® rapid tests, marketed in the United States by Inverness Medical Innovations. The Company also manufactures rapid tests for veterinary Tuberculosis and Chagas Disease. In March 2007 Chembio was issued a United States patent for the Dual Path Platform (DPP(TM)), a next generation lateral flow platform. DPP has demonstrated significant advantages over currently available lateral flow methods, including increased sensitivity, sample flexibility, and multiplexing capabilities. For further information please visit www.chembio.com.

About NIH

The National Institutes of Health (NIH)—*The Nation's Medical Research Agency*—includes 27 Institutes and Centers and is a component of the U. S. Department of Health and Human Services. It is the primary federal agency for conducting and supporting basic, clinical and translational medical research, and it investigates the causes, treatments and cures for both common and rare diseases. For more information about NIH and its programs, visit http://www.nih.gov

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that are subject to risks and uncertainties, and includes statements that are not historical facts. Actual results could differ significantly from results discussed. Sequella disclaims any intent or obligation to update forward-looking statements, except as required by law.