

BIOSYNTECH SIGNS CATO RESEARCH AS BST-CARGEL[®] CLINICAL TRIAL CRO

Laval (Québec) - September 1, 2004 - BIOSYNTECH (TSX Venture Exchange 'BSY') is pleased to announce the signing of a Master Service Agreement with Cato Research Ltd., a contract research organization (CRO) that will support BioSyntech in their upcoming BST-CarGel[®] clinical trials.

This important selection followed a rigorous screening of several CROs, wherein BioSyntech pinpointed the essential capabilities and experience that will be critical for bringing a unique product like BST-CarGel[®] through the clinical testing phase. Cato Research will perform the study setup and protocol review, monitoring, project management, data management, statistics and medical writing for the BST-CarGel clinical trials. This will ensure that the protocol and the study conduct adhere to regulatory requirements and that the outcomes are accepted by regulatory agencies.

Headquartered in Research Triangle Park, North Carolina, with an office in Montreal, Cato Research is well suited to execute a successful clinical program bringing both quality and cost-effectiveness to BioSyntech studies.

“BioSyntech’s strategic plan is focused on maximizing the label indications for our products so we can maximize the value of our products,” said Claude LeDuc, President and CEO of BioSyntech. “The selection of Cato will bring BST-CarGel through a major clinical testing phase and one step closer towards general availability, for the benefit of millions of potential patients.”

Following approval from Health Canada and European authorities, BioSyntech will initiate a multi-center Canadian-European clinical trial, and Cato Research will provide the needed infrastructure for such a large study. The clinical team is being assembled, and currently consists of internationally recognized orthopaedic opinion leaders, all highly experienced and motivated. These key physicians are associated with some of the most respected orthopaedic centers in Canada and Europe, including in Toronto, London (Ontario), Calgary, Winnipeg, Montreal, France and Germany.

BST-CarGel[®], a cartilage repair product, is the first product in a new category called **Scaffold Guided Regenerative Medicine (SGRM)** using a process called *In Situ* Chondro-Induction (**ICI**), which means that BioSyntech’s BST-CarGel[®] technology aims to regenerate cartilage directly in the patient’s lesion rather than in a laboratory.

About BioSyntech - BioSyntech is a biotechnology company specializing in the discovery, development and manufacturing of innovative cost-effective and physician-friendly biologic -implants for regenerative medicine and therapeutic delivery. BioSyntech's Quality Management System is registered to ISO 9001:2000 and ISO 13485:2001. For additional information, visit www.biosyntech.com.

About Cato Research – Cato Research is a global contract research and development organization with offices in Canada, U.S., Europe, Israel and South Africa, offering a full range of research services for the development of drugs, medical devices and biologics. For additional information, visit www.cato.com.

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