

International Stem Cell Begins Pre-Clinical Testing of Its Parthenogenetic Stem Cells for Treatment of Retinal Disease

First Company To Grow Human Corneal Tissue From Stem Cells

Oceanside, California, January 13, 2009 — International Stem Cell Corporation (OTCBB: ISCO) has created layered human tissue from its unique parthenogenetic stem cells and transplanted this tissue into animals in pre-clinical trials to establish a potential new treatment for human retinal diseases, such as macular degeneration or retinitis pigmentosa.

“Intact layers of retinal progenitor cells have been shown to restore lost visual responses in several retinal degeneration rodent models,” said Dr. Hans Keirstead, Co-Director of the Sue and Bill Gross Stem Cell Research Center at the University of California, Irvine. “Thus, we are developing intact retinal layers derived from International Stem Cell’s human parthenogenetic stem cells which could become a sustainable, FDA-approved therapeutic supply for patients with retinal degenerative diseases.”

ISCO’s human parthenogenetic stem cells have the potential to treat human disease yet possess key medical and ethical advantages over other kinds of stem cell products. They can be matched to common immune types and thus reduce the chance of transplant rejection among large segments of the population. Because they are created from unfertilized human eggs, they do not require the destruction of human embryos.

“We are aggressively pushing forward safe treatments for human diseases using parthenogenetic stem cells,” said Jeffrey Janus, President of International Stem Cell. “If we are successful in this work, our next step is to manufacture this layered human tissue for further tests, including human trials. This illustrates the strengths of combining scientific collaborations with outside researchers such as Dr. Keirstead with ISCO’s science and cell manufacturing expertise.”

For more information, visit the ISCO website at: www.internationalstemcell.com.

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ABOUT INTERNATIONAL STEM CELL CORPORATION (ISCO.OB):

International Stem Cell Corporation is a California biotechnology company focused on developing therapeutic and research products. ISCO’s technology, *Parthenogenesis*, results in the creation of pluripotent human stem cell lines from unfertilized human eggs. ISCO scientists have created the first *Parthenogenetic homozygous stem cell line (phSC-Hhom-4)* that can be a source of therapeutic cells that will minimize immune rejection after transplantation into hundreds of millions of individuals of differing sexes, ages and

racial groups. These advancements offer the potential to create the first true “Stem Cell Bank” and address ethical issues by eliminating the need to use or destroy fertilized embryos. ISCO also produces and markets specialized cells and growth media worldwide for therapeutic research through its subsidiary Lifeline Cell Technology. For more information, visit the ISCO website at: www.internationalstemcell.com.

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Statements pertaining to anticipated future financial and/or operating results, future growth in research, technology, clinical development and potential joint venture and other opportunities for the company and its subsidiary, along with other statements about the future expectations, beliefs, goals, plans, or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to statements that contain words such as “will,” “believes,” “plans,” “anticipates,” “expects,” “estimates,”) should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in the development and/or commercialization of potential products, uncertainty in the results of clinical trials or regulatory approvals, need and ability to obtain future capital, application of capital resources among competing uses, and maintenance of intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements and as such should be evaluated together with the many uncertainties that affect the company's business, particularly those mentioned in the cautionary statements found in the company's Securities and Exchange Commission filings. The company disclaims any intent or obligation to update these forward-looking statements.

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