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BIONANOMATRIX INCREASES SEED FUNDING AND RECEIVES NCI GRANT TO DEVELOP NEW CANCER DETECTION TECHNOLOGY

--21Ventures and Ben Franklin Technology Partners Provide New Seed Funding--

Philadelphia, PA, May 17, 2006 – BioNanomatrix LLC, an emerging company developing a breakthrough nanoscale whole genome imaging and analytic platform, today announced receipt of a two-year grant from the National Cancer Institute and new seed financing from two venture investors – New York-based 21 Ventures LLC and Ben Franklin Technology Partners of Southeastern Pennsylvania. Ben Franklin Technology Partners has made a seed investment in BioNanomatrix and 21Ventures is providing a bridge financing to help support the company until its expected Series A financing closes later this year.

BioNanomatrix is developing state-of-the-art integrated systems that enable nanoscale single molecule identification and analysis of the entire genome in a highly multiplexed format. The company's patented NANOANALYZER™ platform based on this breakthrough technology provides more rapid, high resolution, comprehensive and cost effective analysis of DNA, RNA and other proteins than is possible with currently available approaches. BioNanomatrix is initially focusing on applications in cancer diagnostics, but its technology platform and biochip systems also have broad application in systems biology, pathogen detection, drug development and clinical research.

“This is an exciting time for our company as these funds will help us accelerate our programs to develop new clinical diagnostics systems based on our nanoscale discoveries with unprecedented capabilities,” said Dr. Michael Boyce-Jacino, president and CEO of BioNanomatrix. “NCI’s award of a Small Business Investment Research (SBIR) grant further recognizes the potential of our NANOANALYZER platform in the development of innovative cancer detection devices and methodologies.”

By solving the problem of how to assess individual DNA or RNA molecules in a single file, linear manner, BioNanomatrix' whole genome nanoscale platform makes possible key analyses that were not formerly feasible on a routine basis. These include analysis of many of the contextual factors affecting genomic expression, including haplotype structures and epigenomic features, in an automated, standardized way that facilitates clinical interpretation and use.

“Medical researchers predict that the market for genomics research, specifically biochips and their use in systems biology, clinical cancer research and drug discovery, will increase exponentially over the next several years,” said David Anthony, managing partner of 21Ventures. “We have been impressed by the combination of BioNanomatrix' breakthrough technology and the exceptional talent, dedication and discipline of its staff, and we look forward to their progress towards commercialization.”

Dr. Boyce-Jacino concluded, "We also want to acknowledge Ben Franklin Technology Partners for reaching out to support a regional neighbor, as well as Innovation Philadelphia, which supported our NCI grant application with a "Research Dollars" microgrant. Our technology was invented at Princeton University and we maintain a portion of our lab activities there, but we also intend to locate our new headquarters in greater Philadelphia, where we will be able to benefit from the region's nanotechnology resources and its many programs designed to support innovative life sciences enterprises."

About BioNanomatrix

BioNanomatrix is an emerging company applying its breakthrough nanoscale whole genome imaging and analytic platform to cancer diagnostics, clinical genetics and other applications. It designs and manufactures nanochips, nanodevices and nanosystems for biomedical applications, using its patented NANOANALYZER™ technology platform. This platform provides fast, comprehensive, and low-cost analysis of genomic, epigenomic and proteomic information with sensitivity at the single cell/single molecule level. BioNanomatrix' patented technologies are exclusively licensed from Princeton University. Founded in October 2003, the company is headquartered in Philadelphia, PA, with its research and design laboratories co-located at Princeton University. For more information, visit: www.BioNanomatrix.com .

About 21Ventures LLC

Founded in 2003, 21Ventures invests in seed and bridge financing for both private and public technology ventures in Israel and non-core technology regions across the U.S.; its goal is to bridge the widening gap between "friends and family" funding and initial professional capital. 21Ventures focuses on portfolio companies in the Energy, Financial Services, Information Technology, Life Science, Media, Semiconductor and Telecommunication markets. In addition to its VC activities, 21Ventures designs and delivers entrepreneurial training programs for scientists, engineers and technology developers worldwide. The company is headquartered in New York City and has made eleven investments to date. Visit: www.21Ventures.net .

About Ben Franklin Technology Partners of Southeastern Pennsylvania

Since 1982, Ben Franklin Technology Partners of Southeastern Pennsylvania (BFTP/SEP) has served as a catalyst for stimulating entrepreneurial potential with the integration of scientific discovery and technology development and through initiatives that accelerate commercialization. Part of a statewide network in Pennsylvania, BFTP/SEP provides entrepreneurs and established businesses the capital, talent, and expertise they need to compete in the global marketplace. BFTP/SEP has provided more than \$110 million to over 1,400 regional enterprises through various funding means. BFTP/SEP is a founding partner of the Nanotechnology Institute™ (NTI) and the Mid-Atlantic Nanotechnology Alliance (MANA®) and is funded by Pennsylvania's Department of Community and Economic Development. For additional information, visit www.sep.benfranklin.org .

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