

HepaLife To Accelerate Research Activities And Bolster Management and Research Teams.

Encouraging Research Outcomes, Evolving Corporate Events, and Continued Rise in Acetaminophen-Related Acute Liver Failure, Spur HepaLife's Accelerated Expansion Plans.

Vancouver, BC - March 9, 2006 - HepaLife Technologies, Inc. (OTCBB: HPLF) (FWB: HL1) today unveiled plans to accelerate its research and development activities for the first-of-its-kind artificial liver device based on the patented PICM-19 cell line, which thus far has demonstrated to be highly metabolic and ideally suited for incorporation into an artificial liver device.

Recently, positive research findings related to the prolonged survival, density and function of HepaLife's cell line were presented at the annual, National Biomedical Engineering Society Meeting. These cells are considered the most crucial component of the Company's artificial liver device for use by patients suffering from chronic and acute liver disease, as well as use in in-vitro toxicology and pre-clinical drug testing platforms, all currently under development through a collaborative research effort.

Prompted by favorable research outcomes, evolving corporate events, and continued demand for liver disease treatment (as recently highlighted in the current issue of *Hepatology*, the official journal of the American Association for the Study of Liver Diseases (HEPATOLOGY 2006;43:618-631)), HepaLife also announced its immediate intention to further expand its scientific and management teams.

"Having surpassed a number of critical research and corporate finance milestones, we strongly believe that it is now time for HepaLife to take full advantage of its intellectual and financial resources, and aggressively pursue our primary research through the addition of key management and scientific research staff," explained Mr. Harmel S. Rayat, President and CEO of HepaLife.

"While our research findings are an important cell engineering achievement," explained Mr. Rayat. "I'm equally pleased with corporate and finance developments at the Company. Most importantly, on February 16, 2005, we commenced funding under our \$15,000,000 common stock purchase agreement with Fusion Capital Fund, II. This event marks an important milestone for us, and permits us to move forward with our core research activities of creating the first-of-its-kind artificial liver device and developing proprietary in-vitro toxicology and pre-clinical drug testing platforms.",

Drug toxicity to the liver commonly causes Drug-Induced Liver Injury (DILI), a primary contributor to Acute Liver Failure (ALF) in both adults and children. Drug-induced liver damage, also known as hepatotoxicity, has become increasingly frequent and is now the leading cause of acute liver failure in the United States (National Institute of Diabetes and Digestive Kidney Diseases).

The most commonly cited pharmaceutical agent responsible for Drug-Induced Liver Damage is acetaminophen. Acetaminophen related liver toxicity is the leading cause of hepatic failure requiring liver transplantation in Great Britain and the second most common cause of liver failure requiring transplantation in the United States.

In the March 2006 issue of *Hepatology*, researchers emphasized how prevalent Drug-Induced Liver Injury (DILI) has become in ALF patients: "More than half of all instances of ALF identified in the multi-center Acute Liver Failure Study Group (ALFSG) registry from 25 U.S. sites are due to DILI; 3/4 of the DILI cases are accounted for by acetaminophen. Disturbingly, the proportion of acetaminophen cases among all ALF cases has increased steadily since 1998, with acetaminophen accounting for 51% of all cases over the last 2 years."

The same report further confirms that "...acetaminophen is even more commonly a cause for ALF than had previously been recognized."

Acetaminophen is one of the most common pharmaceuticals associated with both intentional and accidental poisoning, and is found in more than 100 products. Acetaminophen is also the most widely used pharmaceutical analgesic and antipyretic agent, worldwide.

Sadly, Drug-Induced Liver Injury also accounts for 25% of childhood Acute Liver Failure. According to the report: "Drugs which are prominent among those causing childhood DILI include acetaminophen; the group of anti-epileptics including phenytoin, carbamazepine, and phenobarbital; valproic acid; sulfonamides; pemoline (recently withdrawn from the market); minocycline; and most anti-neoplastic drugs. Where drug therapy plays a key role — epilepsy and childhood neoplasia—drug hepatotoxicity is rather frequent. Children can also develop DILI from herbals and from recreational drugs."

About HepaLife Technologies, Inc.

HepaLife Technologies, Inc. (OTCBB: HPLF) (FWB: HL1) is a development stage biotechnology company focused on the identification, development and eventual commercialization of technologies and products for liver toxicity detection and the treatment of various forms of liver dysfunction and disease.

Currently, HepaLife is concentrating its efforts on creating the first-of-its-kind artificial liver device and developing proprietary in-vitro toxicology and pre-clinical drug testing platforms.

Artificial Liver Device

Presently, through a Cooperative Research and Development Agreement, HepaLife Technologies is working towards optimizing the hepatic functionality of the patented PICM-19 cell line. The hepatic characteristics of the PICM-19 cell line have been demonstrated to have potential application in the production of an artificial liver device for use by human patients with liver failure.

With 25 million Americans suffering from liver disease, the need for an artificial liver device able to remove toxins and improve immediate and long-term survival results is more critical today than ever before. Limited treatment options, a low number of donor organs, the high price of transplants and follow up costs, a growing base of hepatitis, alcohol abuse, drug overdoses, and other factors that result in liver disease all clearly indicate a strong need for an artificial liver device.

In-Vitro Toxicology Testing

In 2003 alone, the inability to accurately predict toxicity early in drug development cost the pharmaceutical industry a record \$8 billion. In particular, hepatotoxicity, or liver damage caused by medications and other chemical compounds, is the single most common reason leading to drug withdrawal or refusal of drug approval by the FDA. In fact, about one third of all potential drugs fail pre-clinical or clinical trials due to the toxic nature of the compounds being tested, accounting for an estimated \$70 million (20%) of total research and development costs per drug.

The PICM-19 cells grown in vitro synthesize liver specific proteins such as albumin and transferrin, and display enhanced liver-specific functions such as ureagenesis and cytochrome P450 activity. As a result, HepaLife, using the patented PICM-19 cell line, plans to develop proprietary in vitro toxicological and pre-clinical drug testing platforms that will more accurately determine the potential toxicity and

metabolism of new pharmacological compounds in the liver.

At present, the Company does not have commercial products intended to diagnose, treat, cure or prevent any disease. The statements contained in this press release regarding our ongoing research and development and the results attained by us to-date have not been evaluated by the Food and Drug Administration.

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