



**FOR IMMEDIATE RELEASE**

**CHEMAPHOR'S AVIVAGEN AND VET-STEM (USA) ANNOUNCE MUTUAL AGREEMENT TO TERMINATE LICENSE AGREEMENT**

OTTAWA, ONTARIO, December 23, 2011 – Chemaphor Inc. (TSX Venture Exchange: CFR). Chemaphor Inc. announced today a mutual agreement with Vet-Stem Inc. (USA) to terminate the license issued by Vet-Stem to Chemaphor's wholly owned subsidiary, Avivagen Animal Health Inc., for the conduct of VetStem RC regenerative cell therapy in companion animals in Canada, effective 31 December, 2011.

David Hankinson, CEO of Chemaphor and Avivagen, said "Avivagen was created a year ago to commercialize Chemaphor's OxC-beta technology, first in supporting immune health in companion animals, with Oximunol™ Chewable Tablets, and subsequently to commercialize a non-antibiotic alternative feed additive for promoting health, safety and productivity in food animals. Transitioning from R&D-focused activities in Chemaphor to the commercially focused Avivagen has been accomplished, It is now time to focus the companies' resources exclusively on the international growth opportunities presented by OxC-beta. We are grateful to Vet-stem for the help their technology has provided in launching and establishing Avivagen."

After 31 December, 2011, Vet-Stem will assume responsibility for continued support, as may be necessary, of customers of Canadian veterinarians formerly served by Avivagen.

**About VetStem RC Regenerative Cell Therapy**

VetStem RC Regenerative Cell Therapy is scientifically proven for treatment of arthritic conditions and joint and ligament injuries in dogs, cats and horses. The procedure uses regenerative cells derived from an animal's own fat tissue.

**About OxC-beta and Oximunol™ Chewable Tablets.**

OxC-beta is a fully oxidized form of  $\beta$ -carotene that is made up of compounds occurring naturally and extensively in the plant world and to which animals are exposed frequently through dietary or respiratory means. OxC-beta, provided in the form of Oximunol™ Chewable Tablets has been tested for safety in dogs. Clinical trials have shown the product offers significant health benefits in a palatable, chewable daily tablet. In clinical trials with poultry and swine, OxC-beta has shown it is competitive both in function and cost with the sub-therapeutic use of antibiotics in enhancing food animal production, without the potential risk of creating antibiotic resistance.

**About Chemaphor**

Chemaphor, a wellness company, is committed to developing and delivering products from its unique, proprietary OxC-beta technology to assist in optimizing health and daily quality of life in animals and humans. Chemaphor has commercialized its first product for the companion animal market, Oximunol™ Chewables for dogs, and is advancing product candidates in the food animal market and for potential human applications. More information can be found at [www.chemaphor.com](http://www.chemaphor.com).

## **About Avivagen**

Avivagen is a Canadian company, a wholly-owned subsidiary of Chemaphor, dedicated to improving the quality of life of animals through science-based, natural health products proven in clinical studies. More information can be found at [www.avivagen.com](http://www.avivagen.com).

## **Forward Looking Statements**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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