April 21, 2014

Q Therapeutics Issues Formal Corporate Update

SALT LAKE CITY, UT--(Marketwired - Apr 21, 2014) - **Q Therapeutics, Inc. ("Q")**, an emerging biotechnology company developing innovative cell therapy products for the treatment of neurodegenerative diseases, today issued a formal corporate update relating to the Company's progress on advancing its pre-clinical research and development efforts. Q's President and Chief Executive Officer, Deborah Eppstein, PhD, stated:

"2013 was a productive year for Q Therapeutics on many fronts -- and we've continued to gain momentum in 2014. Of particular note is the progress we're making in moving towards the IND filing and clinical studies using our proprietary, patented Q-Cells® as a potential therapy for Amyotrophic Lateral Sclerosis (ALS, or Lou Gehrig's disease). In late 2012, we commenced formal GLP animal safety studies at MPI Research, and recently completed the in-life portion of those safety, biodistribution and tumorigenicity studies. We expect to complete the full data analysis of this study within the next six months. The interim data show no safety concerns attributed to Q-Cells, thereby meeting the safety milestone for the multi-year National Institutes of Health (NIH) grant that supports this work. We are optimistic that the fourth and final tranche of funding of this milestone-driven grant will be awarded to support completion of IND-enabling studies required by the FDA for clearance to begin clinical trials.

"Late in the third quarter of 2013, the FDA granted Orphan Drug Designation to Q-Cells for the treatment of ALS. This designation, given to drug therapies intended to treat diseases or conditions that affect fewer than 200,000 patients in the United States, enables companies to benefit from certain financial incentives, including seven years of market exclusivity after product marketing clearance, access to federal grant funding opportunities to defray clinical trial costs, and assistance with clinical protocols and federal tax credits. Orphan Drug Designation represents a significant milestone for ALS patients and for our Company as we advance this potentially life-saving therapeutic. We plan to apply for similar available designations in Europe and Japan.

"We have advanced our cell manufacturing efforts in partnership with the University of Utah's Cell Therapy and Regenerative Medicine Facility, focused on documenting Q-Cells'manufacturing platform in accordance with FDA guidelines -- documentation that also will support IND filing and clinical trials.

"We continue to work closely with our academic collaborators. For our initial clinical trials in ALS, these include Nicholas Maragakis, MD at The Johns Hopkins University School of Medicine and Jonathan Glass, MD, and Nicholas Boulis, MD at Emory University School of Medicine, who are all working to further define and develop clinical protocols for the ALS trials. Dr. Boulis is also working with us to design and conduct a short-term safety study of Q-Cells in mini-pigs, using the injection platform for cell delivery that we intend to employ in clinical trials. This important safety study is being conducted by MPI Research to document compatibility between Q-Cells and the injection platform, and its effectiveness in implanting those cells. Studies led by Dr. Piotr Walczak at The Johns Hopkins University continue to demonstrate and validate the benefits of Q-Cells in myelination deficiency models. We expect Dr. Walczak's work to support our future studies in other indications, including transverse myelitis, multiple sclerosis and stroke.

"I'm pleased to report that we have also advanced the preclinical study of Q-Cells as a regenerative therapy for the treatment of traumatic spinal cord injuries. Dr. Itzhak Fischer's laboratory at Drexel University is engaged in demonstrating the benefits of Q-Cells for this therapeutic application, and in June 2013 published positive study results in the peer-reviewed Journal of Neurotrauma.

"We also formed exciting new scientific collaborations with XCell Science, Inc. to develop manufacturing technologies for new neural cell products derived from induced pluripotent stem cell (iPSC) lines. We expect that will enhance our proprietary product portfolio with new tissue sources and allow us to identify novel and impactful new therapeutic targets in the neurodegeneration area.

"Finally, we continued to prosecute our intellectual property portfolio, bringing the number of issued patents to 18 covering neural lineage cells, in addition to two in-licensed patents concerning the spinal injection platform.

"On the corporate side of our business, we have continued to dedicate effort to securing growth capital necessary to fund Q's ongoing R&D efforts. Since March 7, 2014, we have closed on $4.4 million with several strategic and financial investors. We expect to seek additional funding to support further development of our product candidates, including initiation of our clinical trial plans for those candidates.

"In closing, I'd like to acknowledge that our leadership team has been enhanced notably with the return of Q's Scientific Founder, Mahendra Rao, MD, PhD, in the roles of Chief Strategy Officer and Scientific Advisory Board Chair. Q Therapeutics remains committed to optimizing and realizing the value we have created -- and continue to enhance -- in our Company and in our Q-Cells platform. We are highly optimistic about being in position to submit an IND to the FDA later this year and proceeding to clinical trials in relatively short order," concluded Dr. Eppstein.

About Q Therapeutics, Inc.
Headquartered in Salt Lake City, Utah, Q Therapeutics, Inc. is a fully reporting, non-trading

company engaged in developing adult stem cell therapies to treat debilitating diseases of the central nervous system. The Company's first product, Q-Cells®, is a cell-based therapeutic intended to restore or preserve normal activity of neurons by providing essential support functions that occur in healthy central nervous system tissues. Q-Cells may be applicable to a wide range of central nervous system diseases, including demyelinating conditions such as multiple sclerosis, transverse myelitis, cerebral palsy and stroke; as well as other neurodegenerative diseases and injuries, such as ALS (Lou Gehrig's disease), Huntington's disease, spinal cord injury, traumatic brain injury, Parkinson's disease and Alzheimer's disease. Q Therapeutics' initial clinical target is ALS, with a first IND submission expected in 2014. The Company's proprietary product pipeline also encompasses neural cell products derived from induced pluripotent stem cells (iPSC). For more information, visit www.qthera.com.

Cautionary Statement Regarding Forward Looking Information

This news release may contain forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements in this press release regarding potential applications of Q Therapeutics' technologies constitute forward-looking statements that involve risks and uncertainties, including, without limitation, risks inherent in the development and commercialization of potential products, uncertainty of clinical trial results or regulatory approvals or clearances, need for future capital, dependence upon collaborators and maintenance of its intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements. Additional information on potential factors that could affect results and other risks and uncertainties are detailed from time to time in Q Therapeutics' periodic reports, including the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

FOR MORE INFORMATION:

Hanover|Elite
Erin Palmer
Director of Client Relations
407-585-1080