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DiaMedica to Deliver Poster Presentation at World Conference on Clinical Pharmacology and Therapeutics

WINNIPEG, MANITOBA--(Marketwire - July 30, 2008)- DiaMedica Inc. (TSX VENTURE:DMA), a drug discovery and development company focused on novel treatments for Type 2 diabetes, announces that it will be presenting results of a study at the 9th World Conference on Clinical Pharmacology and Therapeutics (www.cpt2008.org) in Quebec City, Canada today.

The presentation, entitled "Reversing Prediabetes Insulin Resistance by Synergy of Drugs Mimicking a Feeding Signal" highlights the preclinical data from the Company's lead drug candidate, DM-71. DM-71 is a novel combination of Bethanechol and N-Acetyl Cysteine, two compounds with a strong safety profile that function in a synergistic manner to replace the function of a parasympathetic nerve signal to the liver. Neither compound is able to restore insulin sensitivity on its own, but when combined, insulin sensitivity is restored to near control levels. DiaMedica has demonstrated in previous preclinical studies that when this particular nerve signal is impaired it compromises the ability of insulin to regulate glucose metabolism.

"The preclinical study used a model of diabetes caused by voluntary consumption of sucrose rather than genetically or chemically induced diabetes in order to more closely represent the human disease", stated Dr. Wayne Lutt, Chief Scientific Officer of DiaMedica. "The study demonstrated that a one time dose of DM-71 can restore the ability to process the nutrients from a meal when the parasympathetic nerve to the liver is completely dysfunctional. These results provide the mechanistic understanding for the recent successful Phase IIa proof of concept clinical trials reported by DiaMedica".

About DiaMedica

DiaMedica is a biotechnology company developing novel treatments for various stages of Type 2 diabetes with three clinical stage products. The Company's lead product, DM-71, demonstrated the ability to reduce HbA1c levels and weight in a Phase IIa human trial. DM-83 showed efficacy in reducing insulin levels in a Phase IIa meal tolerance test. DiaMedica's third clinical stage product is entering a Phase IIa trial in the second half of 2008. DiaMedica trades under the symbol "DMA" on the TSX Venture Exchange. For additional information please visit the Company's website at www.diamedica.com.

Caution Regarding Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information within the meaning of applicable Canadian provincial securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other

things, our objectives, goals, targets, strategies, intentions, plans, beliefs, estimates and outlook, including, without limitation, our anticipated future operating results, and can, in some cases, be identified by the use of words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: DiaMedica's early stage of development, lack of product revenues and history of operating losses, uncertainties related to clinical trials and product development, rapid technological change, uncertainties related to forecasts, competition, potential product liability, additional financing requirements and access to capital, unproven markets, supply of raw materials, income tax matters, management of growth, partnerships for development and commercialization of technology, effects of insurers' willingness to pay for products, system failures, dependence on key personnel, foreign currency risk, risks related to regulatory matters and risks related to intellectual property and other risks detailed from time to time in DiaMedica's filings with Canadian securities regulatory authorities, as well as DiaMedica's ability to anticipate and manage the risks associated with the foregoing. Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in the body of this news release, as well as under the heading "Risk Factors" contained in DiaMedica's final long-form prospectus dated March 12, 2007. DiaMedica cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on DiaMedica's forward-looking statements to make decisions with respect to DiaMedica, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

These risks and uncertainties should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, DiaMedica cannot provide assurance that actual results will be consistent with these forward-looking statements. DiaMedica undertakes no obligation to update or revise any forward-looking statement.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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