



Medafor Informs CryoLife that CryoLife Has Repudiated the Exclusive Distribution Agreement

--Medafor Intends to Pursue Damages from CryoLife—

MINNEAPOLIS, March 18, 2010 -- Medafor Inc. said today that it sent a letter to CryoLife, Inc. (NYSE: CRY), informing the Company that by CryoLife's failure to provide adequate assurance that it would properly perform its obligations under the two companies' exclusive distribution agreement ("EDA"), CryoLife has effectively repudiated the contract between the two companies.

Under Georgia law, failure to respond within 30 days of Medafor's request for adequate assurance constitutes a repudiation of the contract by CryoLife, thus allowing Medafor to treat the contract as terminated and cease all performance under the EDA immediately. Medafor has informed CryoLife that it intends to do so.

Medafor is entitled to seek damages for the full amount of the profit it would have received if not for CryoLife's repudiation. Medafor has notified CryoLife that it will specify the amount of these damages once they are determined.

Gary Shope, CEO of Medafor, stated, "Over the past six months, CryoLife has repeatedly breached our contract in China, Europe, Brazil and the U.S. CryoLife has also continued to insist that it is entitled to distribute HemoStase in China and Japan, despite the clear terms of the EDA to the contrary. As such, we were highly concerned about whether CryoLife was going to honor our agreement in the future, and had no choice but to insist it provide us assurance, as required by law. CryoLife ignored our request, effectively repudiating the contract and allowing us to cease all performance under the agreement."

Under the agreement, CryoLife had the exclusive right to sell the MPH product into cardiac and vascular surgeries in the United States (excluding Department of Defense facilities) and into cardiac, vascular and general surgeries in the rest of the World (except China and Japan) excluding ENT, orthopedic, neurosurgery and topical applications.

About Medafor Inc.

Medafor is a privately held Minnesota Corporation based in Minneapolis. Medafor was founded to develop applications and markets for its patented, plant-based, flowable hemostatic powder

technology. MPH(r) is a microporous, polysaccharide hemostatic agent that is engineered to rapidly dehydrate blood and accelerate clotting. Medafor received FDA approval for surgical use in 2006 and has held a CE Mark approval since 2003.

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