

ARCH BIOPARTNERS INC.

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PRESS RELEASE

FOR IMMEDIATE DISTRIBUTION

ARCH BIOPARTNERS COMPLETES 3 ACQUISITIONS, COMPLETES PRIVATE PLACEMENT AND LISTS ON CNSX

Toronto – Canada - Arch Biopartners Inc (“Arch” or the “Corporation”)(ACH-CNSX) announces it has completed the acquisitions of Arch Biotech Inc, 1495628 AB Ltd and 1502440 AB Ltd. (“Acquisitions”) These companies will continue to operate as 3 separate subsidiaries of Arch.

Arch has also completed a non-brokered private placement of \$700,000 by issuing 1,400,000 common shares in the capital of the Corporation (“Common Shares”) at \$0.50 per Common Share (the “Private Placement”).

The listing of the Common Shares has been moved voluntarily from the TSX Venture Exchange (formerly Focchini International Inc: FOI-TSXV) to the Canadian National Stock Exchange with the first day of trading to commence at today’s market open. As a result of the Private Placement and the Acquisitions, the Corporation now has 47,360,179 Common Shares outstanding.

Terms of the Acquisitions

Arch Biopartners has issued 18,013,000 Common Shares to acquire all the issued and outstanding shares in the capital of Arch Biotech, 1495628 AB Ltd and 1502440 AB Ltd. respectively, as previously disclosed to the market by the Corporation in the management information circular dated February 26, 2010. The vendors of the three companies have agreed to have their Common Shares be subject to the terms of an escrow agreement and three year release schedule pursuant to National Policy 46-201.

In connection with the closing of the acquisition of Arch Biotech, the Corporation issued an additional 1,576,000 Common Shares to the University of Calgary (“UofC”) pursuant to the terms of the agreement between Arch Biotech, the UofC and the Corporation disclosed to the market in a press release dated June 24, 2009. These shares are subject to the same escrow agreement as those issued for the Acquisitions.

About Arch Biotech Inc

Arch Biotech Inc. was founded by Richard Muruve and University of Calgary (“UofC”) based scientists Dr. Daniel Muruve, Dr. Paul Beck and Dr. Justin MacDonald in May, 2006. These latter three individuals form part of Arch’s scientific advisory board and research team. Arch was formed to:

- i) Acquire the rights to intellectual property produced by the established UofC research programs of each Arch scientist under exclusive contract;
- ii) Fund, manage and develop the respective research projects with the goal of realizing the commercial potential of the intellectual property; and
- iii) Eventually sell developed intellectual property, technology or products to larger biotech, pharmaceutical or industrial companies.

In April 2009, Jerome McElroy, Richard Rossman and Conor Gunne became principal shareholders of Arch. These three individuals have extensive experience in the biotech industry and governing public biotech companies on the TSX Exchange

About 1495628AB Ltd.

1495628 Alberta Ltd. was incorporated under the ABCA on October 29, 2009, to hold legal and beneficial title to the intellectual property produced by Dr. Randall Irvin and his co-inventors at the University of Alberta in connection with a research project specializing in peptide chemistry. The principal asset of 1495628 Alberta Ltd. presently consists of a provisional patent filed with the United States Patent and Trademarks Office relating to intellectual property, developed by Dr. Irvin, Dr. Li and Dr. Davis, in the area of interfacing biological compounds and certain solid surfaces. The foregoing provisional patent was transferred and assigned to 1495628 Alberta Ltd. pursuant to the terms of an intellectual property transfer agreement dated November 30, 2009 between 1495628 Alberta Ltd., Dr. Irvin, Dr. Li, Dr. Davis and the University of Alberta.

All of the issued and outstanding common shares of 1495628 Alberta Ltd. were exchanged for an aggregate issuance of 2,146,000 Common Shares at a deemed price of \$0.50 per Common Share.

About 1502440 AB Ltd

1502440 Alberta Ltd. was incorporated under the ABCA November 19, 2009, to hold legal and beneficial title to the intellectual property produced by Dr. Stephen Robbins, Dr. Donna Senger and Jennifer Rahn of the U of C in connection with a research project specializing in brain tumour initiating cells (“BTICs”). The principal asset of 1502440 Alberta Ltd. presently consists of a provisional patent filed with the United States Patent and Trademarks Office relating to intellectual property in the area of BTICs developed by Dr. Robbins, Dr. Senger and Jennifer Rahn. The foregoing provisional patent was transferred and assigned to 1502440 Alberta Ltd. pursuant to the terms of an intellectual property transfer agreement dated January 8, 2010 between 1502440 Alberta Ltd. Dr. Robbins, Dr. Senger and Jennifer Rahn.

All of the issued and outstanding common shares of 1502440 Alberta Ltd. were exchanged for an aggregate issuance of 1,667,000 Common Shares at a deemed price of \$0.50 per Common Share.

Terms of the Private Placement

The Corporation has closed a non-brokered, private placement of 1,400,000 Common Shares issued at a price of \$0.50/share for total proceeds of \$700,000.

Certain directors and officers of the Corporation and Arch Biotech subscribed for 1,058,000 Common Shares, representing aggregate gross proceeds of \$529,000 (the "Insider Subscriptions"). Each Insider Subscription constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("MI 61-101"). However, the completion of transactions contemplated by the Insider Subscriptions are exempt from both the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the Common Shares issued to, or the consideration paid by, such persons will exceed 25% of the Company's market capitalization. The Private Placement remains subject to the receipt of all necessary regulatory approvals.

The Common Shares issued in the Private Placement will be subject to the mandatory four month hold period from the date the Common Shares are acquired as required by Multilateral Instrument 45-102. The Common Shares shall be deemed acquired as of the date of closing.

The proceeds of the Private Placement will be used to provide working capital for the business operations of the Corporation and seed capital for research priorities in the Corporation's research portfolio.

Board Appointments

Effective May 7, 2010, the Corporation has appointed Jerome McElroy, Richard Rossman and Conor Gunne to the board of directors. Mr. McElroy has been named Chairman of the Board.

At the same time, Michael Garrity and Robert Streda have resigned as directors of the Corporation. Both have served as directors since June 2006 and were instrumental in the reorganization of the Corporation to become Arch Biopartners. The Corporation's management and board appreciate their contributions and wish them success in the continuation of their respective careers.

For more information on the Corporation, please consult the other public documents including all press releases, management information circular, financial statements and management discussion and analysis filed on SEDAR at www.sedar.com

Forward-Looking Statements

All statements, other than statements of historical fact, in this news release are forward looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Corporation. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Corporation assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

The CNSX has not reviewed and does not accept responsibility for the adequacy of this release.

For more information, please contact:

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