March 13, 2012

# Orgenesis Inc. Announces Definitive Agreement to Acquire Autologous Insulin Producing Cells (AIPC) Regeneration Technology.

TEL AVIV, Israel-- Orgenesis Inc., (**OTCBB: ORGS**) (the “Company”) announced today that pursuant to a licensing agreement dated February 2, 2012 with Tel Hashomer - Medical Research, Infrastructure and Services Ltd. ("Tel Hashomer" or "THM), the Company has an exclusive license to develop and commercialize THM's rights in functional autologous insulin producing cells (AIPC) regeneration technology.

This licensed portfolio is based on the groundbreaking work and two decades of research by the world renowned researcher, Prof. Sarah Ferber conducted at Tel Hashomer.

For the last thirteen years, Prof. Sarah Ferber, Ph.D in Medical Science, the head of the Molecular Endocrinology research unit at the Center for Regenerative Medicine, Stem Cells and Tissue Engineering, Tel Hashomer, has been developing this unique technology, which seeks to substitute malfunctioning organs with new functional tissues created from the patient's own existing organs. This technology employs a molecular and cellular approach directed at converting liver cells into functional insulin producing cells as a treatment for diabetes.

Prof. Ferber's work has been published in the most highly regarded scientific journals such as Nature Medicine, JBC, PNAS, Hepatology, Journal of Autoimmunity and more. It is the Company’s current intention to bring this technology to the clinical stage.

Diabetes Mellitus (DM) is a metabolic disorder resulting in abnormally high blood sugar levels (hyperglycemia) following impaired insulin production by the pancreatic islets' beta cells, which sometimes leads to severe secondary complications such as myocardial infarcts, limb amputations, neuropathies and nephropathies and, in certain circumstances, even death. Currently, the major available treatment modality for an insulin depended diabetes mellitus (IDDM) patient is insulin infusion (injection, pumps or patches). However, the Company believes that these treatments may not prevent, or delay long enough, disease related complications.

A promising therapeutic approach known as pancreatic islet transplantation has been developed as an alternative to insulin injections. Worldwide, there are currently over twenty clinical centers performing pancreatic islet transplantations that are facing formidable obstacles, including a dire shortage of donor insulin producing cells to treat the expanding number of patients with the disease. Furthermore, such transplants require immunosuppressive drugs that may harm the patients and the transplanted cells.

Prof. Ferber states: “It is commonly acceptable that the ideal therapy for an IDDM patient is

beta cell replacement. I believe that there are three essential steps towards developing a curative treatment:

1) a source of beta cells must be identified;

2) the immune system must be convinced not to attack those cells; and

3) the cells must be delivered into a suitable location in the body in order that they can exert effective control over blood glucose.

The AIPC regeneration technology is a therapeutic approach that has the potential to fulfill these three essential steps. This technology involves the use of the patient's own mature tissue to generate functional insulin producing autologous cells."

As part of the license agreement with Tel Hashomer, the Company will have the exclusive licensing rights for regeneration of functional insulin-producing cells, thus enabling normal glucose regulated insulin secretion via cell therapy by using a therapeutic agent that efficiently converts a sub-population of liver cells into pancreatic islets phenotype and function.

The Company acquired the exclusive license to the AIPC generation technology for cash and future royalties. The Company plans to work closely with existing pancreatic islet transplantation centers and thus provide an overall clinical treatment for diabetic patients by providing the new functional AIP cells, as well as the treatment process and protocols. The Company plans to also provide a bio-banking of such cells for future use.

***Prof. Ferber*** studied biochemistry at the Technion–Israel institute of Technology, under the supervision of Professor Avram Hershko and Professor Aharon Ciechanover, winners of the Nobel Prize in Chemistry in 2004. She completed a post-doctoral fellowship at the Joslin Diabetes Ctr. at Harvard Medical School. Prof. Ferber's breakthrough discovery may obviate the need for embryonic stem cells for generating an organ in need. Most of the research was conducted in Prof. Ferber's lab, in the Molecular Endocrinology Research Unit and in the Stem Cell Center at the Sheba Medical Center. Prof. Sarah Ferber received the TEVA, LINDNER, RUBIN and WOLFSON awards for this research.

More information about our Company, our management, our technology and risk factors may be found in our periodic filings filed with the SEC on EDGAR, such as our recent 10-K filed February 29, 2012.

ON BEHALF OF THE BOARD

Orgenesis Inc.

Vered Caplan,

Chairperson,

*Disclaimer for Forward-Looking Information*

Certain statements in this news release are forward-looking statements, which reflect the expectations of management regarding the Company's intention to develop the AIPC

regeneration technology and bring it to the clinical stage; that AIPC regeneration technology is a therapeutic approach that has the potential to fulfill these three essential steps; and our plans to work closely with existing pancreatic islet transplantation centers and provide an overall clinical treatment for diabetic patients and bio-banking of cells. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect, wholly or partially. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) the Company's inability to develop the AIPC regeneration technology, for any reason, (2) the Company's ability to raise the funds necessary to develop the AIPC regeneration technology, (3) competition from other forms of therapy; and (4) compliance with all required government regulation. Technology that works in the laboratory may not work as well as expected in humans. In addition, substantial health care regulations may prevent our technologies from ever coming to market. These forward-looking statements are made as of the date of this news release and, except as required by law, the Company assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements.

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Source: Orgenesis Inc.