



## **New Life Scientific, Inc.**

**(OTC BB: NWLF)**

**Rating: Maintained at Speculative Buy**

**Target Price: Maintained at \$0.45\***

### **Key statistics**

Ticker	NWLF on OTCBB
Last closing price (1/13/06)	\$0.22
52 Weeks range	\$0.24 ... \$7.00
Market Cap	\$ 8,779,995
Basic shares outstanding**	39,909,070

\* When the recently announced 1.1:1 stock split becomes effective, NWLF will have 43,899,977 shares outstanding and the target price will be adjusted to \$0.41;

\*\*Including 5,525,000 shares issued for the PTI acquisition; not adjusted for split.

Source: NASDAQ, SEC filings

## **Summary**

Since our initiation report dated December 6, 2005, NWLF announced the following developments:

1. Completion of acquisition of the non-domestic business of Pharma Trials International LLC for \$1,500,000 in common stock;
2. Agreement with InvaPharm LLC to develop four additional pharmaceutical products;
3. Strategic alliance agreement with Telomolecular Corp to develop products that treat aging and age-related diseases;
4. A 1.1 to 1 forward stock split of NWLF's common stock.

These developments confirm NWLF's business plan advance, and made us place the rating and the target price under review, with a positive outlook. As soon as NWLF registers progress in either stem cell research or CRO business, we will update our target price accordingly.

## **Completion of acquisition of the non-domestic business of Pharma Trials International LLC**

In May 2005, NWLF announced plans to acquire the non-domestic business of Pharma Trials International LLC for \$1,500,000 in common stock. The conversion rate for such amount was to be determined at some future time. Pharma Trials International LLC was to assign all of its non-domestic current contracts at such time and future contracts to a newly created entity, PharmaTrials International Inc., a Florida corporation ("PTI").

Managers of Pharma Trials International LLC, Dr. Wieslaw J. Bochenek, Dr. Jerry Piotrowski, and Eugene Zabolotsky, joined NWLF's management and Board of Directors. Pharma Trials International LLC's Ukrainian subsidiary PharmaTrials Ukraine ("PTU") went under PTI's management.

The closing of the acquisition was agreed to have taken place when NWLF received "proof of concept" and the purchase price of \$1,500,000 was justified.

To date, NWLF has reported the following:

1. NWLF currently operates PTI and PTU;
2. PTI signed a contract with a German pharmaceutical company engaged in the development and marketing of pharmaceutical products. It is currently conducting a clinical study for them in accordance with the contract. NWLF has determined the value of this contract to be approximately \$1,000,000.
3. PTI is also conducting another study recently contracted with West Pharmaceutical Services. NWLF has determined the value of this contract to be between \$600,000 and \$700,000.

## Sale of equity securities associated with the PTI acquisition

On December 30, 2005, pursuant to the PTI acquisition, NWLF agreed to issue **5,525,000** shares of NWLF's common stock to the following shareholders of PharmaTrials in exchange for all of the issued and outstanding shares of PharmaTrials:

<b>Name</b>	<b>NWLF Shares received</b>
Wieslaw J. Bochenek	1,250,000
Jerry Piotrowski	1,250,000
Natalia Khlitova	915,000
Sergiy Pakharyna	20,000
Sergiy Kazak	5,000
Alexander Kitagorovski	915,000
Viktoriy Atamanyuk	5,000
Anna Shteynberg	332,500
Allan Shteynberg	332,500
Eugene Zabolotsky	500,000
<b>TOTAL</b>	<b>5,525,000</b>

The 5,525,000 shares issued were valued at **\$1,500,000 or \$0.27 per share**. The shares were issued in reliance on an exemption from registration under Section 4(2) of the Securities Act of 1933.

## Strategic alliance agreement with Telomolecular Corp

On December 05, 2005, NWLF and Telomolecular Corp announced a strategic alliance to develop products to treat aging and age-related diseases.

Telomolecular Corp is a biotechnology company, holder of certain intellectual properties of FDA-approved gene therapy technologies capable of comprehensive intracellular protein delivery. Telomolecular Corp. was organized with the purpose of engineering a new class of drugs that deliver large-molecule proteins important in the treatment of aging and age-related diseases across human cell membranes. By combining new large-molecule delivery technologies with new protein discoveries it may be possible to lengthen chromosomal telomeres in therapeutic ways. Successful therapies based on this tactic may significantly offset, and potentially reverse, many devastating age-related diseases and perhaps address many of the symptoms and signs recognized as human aging.

NWLF reported the move marked an important milestone towards delivering therapeutic large molecules across human cell membranes in the treatment of presently incurable diseases caused by critical telomere shortening, and in certain trauma injuries. Telomolecular and NWLF hold a variety of possibly synergistic technologies that might eventually enhance market values through collaboration. In particular, NWLF, through its affiliation with IMBG, holds rights to techniques for repairing intracellular DNA damage through stem cell-based "DNA exchange" technologies, while Telomolecular holds broad field-of-use patents to FDA-approved

gene therapy technologies capable of comprehensive intracellular protein delivery. Together these concepts may provide more inclusive solutions to human aging and address a variety of disease and trauma processes.

### **1.1:1 Forward stock split**

On January 13, 2005, NWLF reported that the Board of Directors had authorized a 1.1 to 1 forward stock split of NWLF's common stock.

### **Extension of the agreement with InvaPharm LLC**

On December 15, 2005, NWLF reported that it had received a proposal from Invapharm LLC to jointly develop four additional pharmaceutical products through joint venture Invamed Pharma, Inc. utilizing NWLF's CRO, PTI.

At the special meeting of the Board of Directors of NWLF, where the proposal was reviewed, the Board also considered the possibility of separating the pharmaceutical division from CRO, due to the potential conflict of interest between divisions, by spinning off the division to shareholders and/or IPO.

NWLF reported that Invapharm is the licensee of one pharmaceutical compound which is in Phase II clinical trials and has the rights to other compounds and certain applications for unique drug delivery systems.

### **Disclaimer**

**Stelian Mitu, CFA, MBA**, is a Senior Analyst with Spelman Research. Prior to joining the Company, he was a Senior Investment Officer for NCH Advisors Inc., an US private equity hedge fund investing in Eastern European countries, for more than 5 years. He coordinated acquisitions of companies in fields like real estate, food products, pharmaceuticals, building materials, electrical products, railroad services, and chemical products. He served as a director in two pharmaceutical companies, one chemical company and one electrical products company. Stelian received the CFA charter in 2003 and the MBA degree in 1997.

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