



Aastrom Biosciences Announces Pricing of Unit Offering

ANN ARBOR, Mich., Jan. 15, 2010 (GLOBE NEWSWIRE) -- Aastrom Biosciences, Inc. (Nasdaq:ASTM), a leading developer of autologous cell products for the treatment of chronic cardiovascular diseases, today announced the pricing of its previously announced underwritten public offering of 46,154,000 units at a public offering price of \$0.26 per unit. Each unit consists of one share of the Company's common stock, a Class A Warrant to purchase 0.75 of a share of common stock and a Class B Warrant to purchase 0.50 of a share of common stock. Each whole Class A Warrant entitles the holder to acquire one common share of the Company upon payment of \$0.3718 per share, exercisable for a five year period commencing on a date six months after the closing date of the offering. Each whole Class B Warrant entitles the holder to acquire one common share of the Company upon payment of \$0.26 per share, exercisable for a six month period commencing on the closing date of the offering. In connection with the offering, the Company has also granted the underwriter a 30-day over-allotment option to purchase up to 6,923,100 shares of Common Stock, Class A Warrants to purchase 5,192,325 shares of Common Stock and/or Class B Warrants to purchase 3,461,550 shares of Common Stock.

Oppenheimer & Co. Inc. acted as the sole underwriter for the offering.

Net proceeds from the sale of the units, after underwriting discounts and commissions and other offering expenses, are expected to be approximately \$10.9 million. If the underwriter exercises its over-allotment option in full, net proceeds from the offering will be approximately \$12.7 million. The Company plans to use the net proceeds from the offering for general corporate purposes, including conducting operations and continuing to conduct our clinical development programs.

The offering is subject to customary closing conditions and is expected to close on Thursday, January 21, 2010.

The securities described above were offered to the public by the Company pursuant to a registration statement on Form S-3 previously filed and declared effective by the Securities and Exchange Commission (SEC). This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering was made by means of a prospectus supplement and the accompanying base prospectus, copies of which may be obtained, when available, from Oppenheimer & Co. Inc., Attention: Syndicate Prospectus Department, 300 Madison Avenue, 4th Floor, New York, NY, 10017, by telephone at 212-667-8563, or via email at EquityProspectus@opco.com. About Aastrom Biosciences, Inc.

Aastrom is a leader in regenerative medicine developing autologous cell products for the treatment of severe, chronic cardiovascular diseases. The Company's proprietary Tissue Repair Cell (TRC) technology expands the numbers of stem and early progenitor cells from a small amount of bone marrow collected from the patient. Bone marrow provides a rich source of diverse cell populations, is easily accessible and allows Aastrom to produce a personalized treatment for site-specific delivery to the patient's diseased tissues. Aastrom has treated more than 375 patients in various clinical trials over 10 years without any product safety issues. The Company is currently conducting a Phase II cardiac regeneration clinical trial (the IMPACT-DCM trial) in patients with dilated cardiomyopathy (DCM -- severe chronic heart failure) and a Phase IIb vascular regeneration clinical trial (the RESTORE-CLI trial) in patients with critical limb ischemia (CLI -- the most severe form of peripheral arterial disease). Aastrom has also recently announced that the Company will initiate its U.S. Phase II clinical trial to evaluate the catheter delivery of CRCs for the treatment of DCM.

The Aastrom Biosciences, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3663>

For more information, visit Aastrom's website at www.aastrom.com.

Certain statements contained in this release, including those relating to closing of the offering, as well as statements containing words like "intends," and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to: our ability to successfully complete the offering on terms and conditions satisfactory to us, the possible adverse impact on the market price of our shares of common stock due to the dilutive effect of the securities to be sold in the offering, as well as other risks and uncertainties, including those detailed from time to time in our Securities and Exchange Commission filings.

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