

February 10, 2010

Dear Medafor Shareholders,

As you are aware, on January 13, 2010, CryoLife Inc. sent an unsolicited proposal to your Board of Directors to acquire Medafor for \$2.00 per share in an unspecified combination of CryoLife stock and cash. After careful consideration, including a thorough review of CryoLife's proposal with the assistance of independent financial and legal advisors, your Board has unanimously determined the proposal to be grossly inadequate in terms of our current performance and, more importantly, our future prospects.

Briefly stated, the Board unanimously concluded that given our current business and outlook, this is not the time to sell your company.

This latest unsolicited proposal follows two previous unsolicited proposals from CryoLife to acquire Medafor, followed by litigation it initiated regarding the Exclusive Distribution Agreement ("EDA") between Medafor and CryoLife. Your Board of Directors determined each of those prior offers to be financially inadequate and to provide little or no value for the growth potential of our company.

Your Board believes that the most recent moves by CryoLife are a clear indication that CryoLife needs Medafor far more than Medafor needs CryoLife.

The Board's determination is based on a number of additional factors, including:

The Proposal is Financially Inadequate

The Board determined that CryoLife's proposal is grossly inadequate from a financial point of view, and does not provide full and fair value to the Company's shareholders. The Board reached this conclusion following a detailed review by its financial advisors using a variety of recognized financial metrics.

Furthermore, CryoLife's unsolicited proposal does not even come close to meeting the revenue potential of the existing EDA, which is valued between \$40 million and \$50 million. Sales to CryoLife represent approximately 20% of Medafor's sales and are limited to the cardiac market, only one of many market opportunities available to Medafor.

The Proposal Does Not Reflect Medafor's Strong Financial Position and Robust Growth Prospects

Over the past four years, Medafor has rapidly increased MPH market penetration worldwide, continued to build market share in its core markets in the USA, China and Japan, and expanded the MPH technology via the development of new applicators and products. As a result of these efforts, Medafor has experienced exceptional worldwide revenue growth and significant increases in profitability and cash generation.

Now that the Arista /MPH product is generating strong operating cash flow, Medafor has been able to turn its focus on expanding the range and scope of possible new surgical and medical applications. Among others, these exciting developments include a trauma/military research product (Medafor recently was awarded an important contract by US Department of Defense), a new laparoscopic applicator, a project to introduce the product for use in brain surgery, and a new ENT product for the European market.

We also believe that Medafor's technology will significantly benefit from any health care reform that emphasizes hospital cost savings, wider access to health care, and better patient outcomes using innovative and cost efficient medical technologies and products. The MPH technology is a major cost saver, simultaneously delivering the benefits of improved safety and efficacy to patients and surgeons.

Medafor As A Standalone Is Well Equipped to Help MPH Achieve Full Potential

Medafor's experienced management team has generated significant value, averaging compound growth of about 75% annually from 2005 to 2009. It is focused on expanding the range and scope of possible new surgical and medical applications in areas in which CryoLife has no sales experience.

Medafor benefits from an entrepreneurial and dedicated U.S. sales force that is far more efficient than CryoLife's and more fully understands and appreciates how to develop a new product. While CryoLife widely touts its sales force for achieving what it reports to be \$6 million in worldwide Hemostase sales, CryoLife fails to mention that Medafor transferred a significant portion of that business in already established sales. In comparison, the sales generated by Medafor's sales organization in the US alone were \$5.1 million.

Furthermore, CryoLife has NO experience in selling into ENT, OB GYN, Neuro, Orthopedic, or general surgery markets, all of which are vital growth areas for the MPH product. As a result, CryoLife will either have to buy, hire, or contract this sales experience, which does not add any value to what Medafor already has firmly in place.

CryoLife Needs Medafor Far More than Medafor Needs CryoLife

We recognize and appreciate that the Hemostase MPH product is critical to CryoLife's business and future growth. However, the Medafor Board believes that this proposal, and CryoLife as a potential acquirer, are not in the best interests of Medafor or its shareholders.

Not only does CryoLife appear to be under significant earnings pressure, having lost significant value over the years, but we also believe that CryoLife's underperforming sales force has done an inadequate job of promoting our product in its exclusive territories.

The EDA with CryoLife was concluded in 2008 at a time when Medafor global expansion resources were limited. Since that time our company, under the leadership of our management team, has rapidly advanced on the world stage, diminishing the importance of CryoLife to Medafor. Currently, our sales in the U.S., Asia and other regions are expanding at a much greater rate through our own company resources.

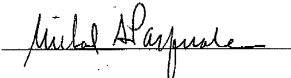
Furthermore, we have serious doubts about the outlook of CryoLife's business and, consequently, its ability to invest in the MPH technology, which currently represents its only high growth product. Specifically, CryoLife's tissue preservation service is a low margin and low growth business, and CryoLife's BioGlue patents are set to expire in the U.S. in 2012 and in the rest of the world in 2013. Following the expiration of these patents, the emergence of competing products will materially reduce the revenues and income that CryoLife receives from this product. It seems that absent Hemostase or some other high-growth product, CryoLife is facing a declining revenue curve with extremely high fixed costs.

On the whole, CryoLife has been a hostile and unproductive partner with Medafor. CryoLife has continually breached the terms of the EDA and launched baseless litigation after our Board rejected the second unsolicited offer to acquire Medafor for an amount that the Board determined to be grossly inadequate. These hostile actions taken by CryoLife are opportunistic attempts to bully Medafor into selling our Company's technology at a heavily discounted price, and only serve to distract management and waste resources that could otherwise be deployed to enhance shareholder value.

Your Board of Directors and management team take their fiduciary responsibilities to you, our shareholders, extremely seriously, and are committed to maximizing shareholder value as an independent company.

As always, your continued support is greatly appreciated. Please feel free to contact Paul Gray, one of our outside Directors, or Gary Shope with your thoughts or questions.

Sincerely,



Mike Pasquale
Chairman of the Board

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