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January 25, 2010

Dear Medafor Shareholders,

As you know, your Board of Directors is currently undergoing a thorough review of CryoLife's unsolicited proposal to acquire our company for \$2 per share in cash and CryoLife stock. At this time, we are in the process of retaining independent financial and legal advisers to assist the Board in thoughtfully evaluating the merits of the proposal, as well as to explore other potential strategic alternatives.

On January 21st, in response to CryoLife's proposal, the Board delivered a letter to Steve Anderson, Chairman and CEO of CryoLife, acknowledging receipt of the unsolicited proposal and requesting time to complete a careful review, so as to ensure that all of our shareholders' interests were best served. In our letter, we indicated that we would contact him once this comprehensive review had been completed.

We were surprised that after receiving this letter, Mr. Anderson sent a letter to our shareholders stating that Medafor's Board had refused to negotiate with him on their proposal. In fact, as noted above, we informed him that we were in the process of evaluating CryoLife's current proposal and would respond to him upon completion of a careful and thorough review. Mr. Anderson does not acknowledge this response in his letter, which he sent to our shareholders prior to the previously arranged and agreed upon legal transfer of our shareholder list to CryoLife on January 22nd.

Further, with respect to past proposals, the Board **HAS** evaluated them and formally **RESPONDED** that they were unacceptable.

Your Board is committed to enhancing shareholder value and is well aware of the unique characteristics of our breakthrough hemostatic technology. Thus, in keeping with our fiduciary duties to shareholders, the Board will continue to follow a deliberate and thorough process and, with the advice and counsel of independent legal and financial advisers, will fully evaluate the CryoLife proposal. We will not rush carelessly toward a decision. We are going to be diligent and thoughtful in this process. Indeed, to properly serve the best interests of our shareholders, employees, and customers, we will take the time we need to do this right.

Until this comprehensive review has been completed, no decisions will be made about CryoLife's proposal and **we strongly recommend that you take no action until we finish our review and provide you with the benefit of our evaluation.** We are sure that you are aware that subscribing to CryoLife's email distribution list will open a conduit to you for information that will not have been evaluated by the Medafor Board. Medafor will keep you updated of any new developments, as they become available.

As you know, this latest proposal from CryoLife follows two previous unsolicited proposals from CryoLife to acquire Medafor, followed by litigation initiated by CryoLife in relation to the Distribution Agreement. As noted above, the Board of Directors determined each of those prior offers to be financially inadequate and to provide little or no value for the growth potential exhibited by Medafor, which is becoming increasingly apparent as our revenues and market share continue to increase.

The Board will evaluate the present proposal in light of our current business and our future prospects. There is nothing you need to do at this time and we recommend that you take no action with your Medafor investment until you hear further from us.

Your views as shareholders are important. Please feel free to contact Mr. Paul Gray, one of our outside Directors, or Gary Shope (contact information below) with your thoughts or questions. As always, your continued support is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Shope".

Gary J. Shope
Chief Executive Officer

Contact information:
Gary J. Shope
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A handwritten signature in black ink, appearing to read "Michael F. Pasquale".

Michael F. Pasquale
Chairman of the Board

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