

## **IGI Laboratories, Inc. Signs Product Development Agreement With Cancer Health Solutions Resources, LLC**

*BUENA, NJ August 5, 2008 - IGI Laboratories, Inc. (AMEX: IG)* a premier global provider of skin treatment products announces signing a Product Development Agreement with Cancer Health Solutions Resources, LLC ("CHS"). IGI with CHS will develop a Novasome® technology based Over the Counter sunscreen product containing CHS's proprietary ingredients that may enhance the antioxidant effect of normal skin cells.

Exposure to UVA and UVB radiation has been associated with the development of certain types of skin cancer. It has been suggested that oxidative damage caused to skin cells by the UV radiation is a contributing factor in the development of these cancers. A recent report by the nonprofit Environmental Protection Group indicated that 85% of sunscreens inadequately protect the skin from the sun's UV rays or could contain ingredients that may be unsafe.

Rajiv Mathur, President and CEO of IGI stated, "We look forward to working with CHS on this project to develop a sunscreen that may have an antioxidant effect on normal cells and may protect the cells from the sun's UV rays. Additionally, our Novasome® technology offers the added benefit of a unique capability of combining incompatible drug molecules into one product."

IGI is a company committed to growth by applying proprietary technologies to achieve cost-effective solutions for varied customer needs. IGI offers the patented Novasome® micro-vesicular delivery technology which contributes value-added qualities to cosmetics, skin care products, dermatological formulations and other consumer products, providing improved dermal absorption, controlled and sustained release as well as improved stability and greater ease of formulation.

This report contains forward-looking statements relating to IGI's hopes and expectations for the future. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "will," "possible," "one time," "provides an opportunity," "continue" and similar expressions are intended to identify forward-looking statements. Such statements involve a number of risks and uncertainties and actual future events and results could differ materially from those indicated by such forward-looking statements due to general economic conditions, and the risk factors detailed in IGI's periodic reports and registration statements filed with the Securities and Exchange Commission.

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