



News Release

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DERMA SCIENCES RAISES \$6.1 MILLION THROUGH PRIVATE PLACEMENT

Funds will be used to accelerate sales force expansion

PRINCETON, NJ – (April 1, 2008) . . . Derma Sciences Inc (OTCBB:DSCI), a provider of advanced wound care products, said that its MEDIHONEY™ Wound & Burn Dressing with Active *Leptospermum* Honey has been well received by its target audience, and the Company believes strongly in the potential that it offers for rewarding growth. As a result, the Company intends to accelerate the expansion of its sales force and to broaden the scope of its licensing agreement with Comvita New Zealand, Ltd, its commercialization partner for MEDIHONEY. To facilitate this, the Company entered into securities purchase agreements with several accredited existing and new investors in connection with a private placement of common stock and warrants. Under the terms of the agreement, Derma will receive \$6.1 million in gross proceeds from the sale of 6.1 million shares of its common stock and approximately 3.1 million warrants with an exercise price of \$1.20. Subject to the satisfaction of customary closing conditions, the transaction is expected to close on or about April 2, 2008.

Aside from the sales force expansion and potentially a broadened license agreement relating to MEDIHONEY, net proceeds from the transaction will be also used for working capital as well as for general corporate purposes. Pending such uses, the proceeds are expected to temporarily pay down the Company's existing revolving credit facility. The offering was conducted in reliance on Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 promulgated there under.

Chairman and CEO Ed Quilty commented, "MEDIHONEY has the potential to improve the quality of life for people with hard-to-heal wounds that are a result of diabetes, vascular insufficiencies, and pressure ulcers – the bane of nursing home patients. We also believe it will play an important role around the globe as clinicians look for more effective and less toxic ways to deal with the onslaught of 'superbugs' such as MRSA. The proceeds from this private placement will help ensure that we achieve our key strategic initiatives – to expand our sales force more rapidly and to maximize our growing success with the MEDIHONEY brand."

The private placement is set to fund on April 2, 2008. Quilty emphasized that the Company continues to self-fund its research and product development costs on all other products in its product line, and does not anticipate a further need for finances beyond this one-time push for MEDIHONEY. "The time is right for MEDIHONEY," he said, "and we decided not to wait."

The Company plans to announce results for its 4th quarter and year ended December 31, 2007, this morning as well.

About Derma Sciences

Derma Sciences is a global manufacturer and marketer of advanced wound-care products. Its key product, MEDIHONEY, is sold throughout the world by Derma Sciences and Comvita New Zealand – the licensor of the patented honey-based technology – and is the leading brand of honey-based dressings for the management of wounds and burns. The product has been shown to be effective in a variety of wounds and burns, and was recently the focus of two positive large-scale randomized controlled studies on leg ulcers. For more information about Derma Sciences, Inc., visit its home page on the Internet at www.dermasciences.com.

Forward-looking Statements

Statements contained in this release that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate" or "continue" are intended to identify forward-looking statements. Readers are cautioned that certain important factors may affect the Company's actual results and could cause such results to differ materially from any forward-looking statements which may be made in this release or which are otherwise made by or on behalf of the Company. Factors which may affect the Company's results include, but are not limited to, product demand, market acceptance, impact of competitive products and prices, product development, completion of an acquisition, commercialization or technological difficulties, the success or failure of negotiations and trade, legal, social and economic risks. Additional factors that could cause or contribute to differences between the Company's actual results and forward-looking statements include but are not limited to, those discussed in the Company's filings with the Securities and Exchange Commission.

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