



April 19, 2007

To our Shareholders:

Since my letter dated January 4, 2007, we have made significant progress in our mission to establish the industry for medical devices able to treat infectious disease. In this regard, I am pleased to inform you that researchers at The Centers for Disease Control and Prevention (CDC), The United States Army Medical Research Institute of Infectious Diseases (USAMRIID), and The Southwest Foundation for Biomedical Research (SFBR) have initiated studies of our Hemopurifier® as a potential treatment countermeasure against Category “A” bioterror threats, including Ebola, Marburg, and Lassa Hemorrhagic Fever.

Studies of the Hemopurifier® as a potential treatment for Dengue Hemorrhagic Fever (DHF) are also now under way at the National Institute of Virology (NIV) in India. The NIV is the Government of India's leading infectious disease research center and is a collaborating laboratory of the World Health Organization (WHO). With more than 50 million new cases each year, Dengue has evolved to be the second most prevalent infectious disease. Much like the Category “A” pathogens noted above, Dengue is untreatable with anti-viral drug or vaccine therapy. We are optimistic that each of these research initiatives will begin to provide supporting data that verifies the ability of the Hemopurifier® to clear targeted viruses from blood. Such data for previously untreatable viral conditions should positively augment our regulatory submissions and reinforce the rationale for accelerating our science into marketplace.

In addition to initiating collaborations with researchers representing the United States and the Government of India, our team also submitted an Investigational Device Exemption (IDE) to the U.S. Food and Drug Administration (FDA) in early March. The IDE requests permission to initiate human safety studies of the Aethlon Hemopurifier® as broad-spectrum treatment

countermeasure against Category “A” bioterror threats resistant to drug and vaccine therapy. The demonstration of safety is a primary challenge in humans as efficacy studies of Category “A” pathogens are not possible for obvious humanitarian reasons. Category “A” threats are defined by the CDC as agents that pose a risk to national security; are easily disseminated or transmitted from person to person; result in high mortality rates; could cause public panic and social disruption, and require special action for public health preparedness.

Dr. Nathan Levin, a world-renown leader in renal care, and the Director of the Renal Research Institute (RRI) in New York City has agreed to be the Principal Investigator of the clinical program we have proposed to the FDA. The RRI is a joint venture between Fresenius Medical Care, the global leader in the dialysis industry and Beth Israel Medical Center. Pending internal review board approval, the proposed study will occur at Beth Israel Medical Center, also based in New York City.

In my last letter, I detailed a rationale for federal biodefense programs to shift focus towards broad-spectrum therapeutics, as such therapies offer the ability to treat multiple strains of different pathogens. While biased, I believe our Hemopurifier® is the leading broad-spectrum candidate for treating viral pathogens. However, funding to develop and purchase broad-spectrum therapies has not existed in previous government programs.

Last month, the Department of Health and Human Services (HHS) mandated for broad-spectrum therapeutics to become a focal point of government bioterror and pandemic treatment initiatives. As stated in the legislation, the U.S. government will now support research, development, acquisition, storage/maintenance, deployment, and utilization of broad-spectrum treatment countermeasures able to address multiple bioterror and pandemic threats. The focus of prior government initiatives had been fixed defenses attempting to align a specific treatment with each known bioterror and pandemic threat. Now, the National Institutes of Health (NIH) will support research and development of broad-spectrum therapies. The newly established Biomedical Advanced Research and Development Authority (BARDA) will provide direct investment to develop qualified broad-spectrum therapies, and is mandated to spend \$1 billion to fund countermeasure development during the next three years. In addition to this, and consistent with earlier government initiatives, HHS will also use the \$5.6 billion Project BioShield special

reserve fund and Strategic National Stockpile resources to acquire, store, maintain, and deploy top priority medical countermeasures, including those offering broad-spectrum therapeutic benefit.

The new HHS directives open the door for us to participate in mainstream government programs, and they validate our long-stated belief that broad-spectrum countermeasures will be required to protect our civilian and military populations from emerging bioterror and pandemic threats. In a case of fortunate timing, the United States Patent and Trademark Office (USPTO) has notified us that all claims underlying a patent application reinforcing the proprietary use of our Hemopurifier® as a broad-spectrum therapeutic have been allowed.

So far in 2007, we have validated the promise of our technology through multiple new research collaborations and the filing of our IDE with the FDA. We have also expanded our growing intellectual property portfolio, and are positioned to benefit from new broad-spectrum treatment legislation. A pipeline of active infectious disease programs combined with early stage cancer research provides a strong foundation to create value for our shareholders well into the future.

On behalf of our team at Aethlon, I thank you for your continued support.

Very truly yours,

James A. Joyce
Chairman, CEO