UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 6, 2007

MEDICAL DISCOVERIES, INC
(Exact Name of Registrant as Specified in Charter)

Utah		
(State of Incorporation)		
000-24569		87-0407858
(Commission File Number)		(I.R.S. Employer Identification No.)
1338 S. Foothill Drive, #266, Salt Lake City, Utah 84108		84108
(Address of Principal Executive Offices)		(Zip Code)

(801) 582-9583
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Introduction

To date, Medical Discoveries, Inc. (the "Company") has been a developmental-stage bio-pharmaceutical company engaged in the research, validation, development and ultimate commercialization of two drug candidates referred to as MDI-P and SaveCream. MDI-P is a drug candidate being developed as an anti-infective treatment for bacterial infections, viral infections and fungal infections. SaveCream is a drug candidate being developed to reduce breast cancer tumors. Both of these drug candidates are still in development and neither has been approved by the U.S. Food and Drug Administration (the "FDA"). The total cost to develop these two drugs and to receive the approval from the FDA would cost many millions of dollars and take many more years. The Company attempted to fund its development costs through the sale of its equity securities, including the sale of its Series A Convertible Preferred Stock.

In December 2006, the Securities and Exchange Commission revised its interpretation of certain of its rules in a manner that materially affected the ability of small companies to raise additional debt or equity funding from institutional lenders. At the end of 2006, the Company had virtually no cash, had no source of revenues, had a working capital deficit of nearly $5,000,000, and had a total stockholders deficit of $5,500,000. In addition, the holders of the Series A Convertible Preferred Stock informed the Company that they were no longer willing to fund the Company's then current operations. In December 2006, three of the Company's five directors resigned.

Because of its lack of capital, the Company was unable to fund any on-going operations and was not able to pay its professionals to audit the Company's year end financial statements and to prepare the public company period reports the Company is required to file with the Securities and Exchange Commission. As a result, the Company is delinquent in its Securities and Exchange Commission filings and, in July 2007, the Company was de-listed from the OTC Bulletin Board.

In February 2007, the Company engaged a consulting firm to assist it in resolving its financial issues, to obtain advice regarding any strategic alternatives that may be available to it, and to prevent the Company from losing all of its assets in bankruptcy. During the past several months, the Company has explored a number of transactions that would (i) prevent the Company's shareholders from losing their entire investment in the Company and (ii) enable the Company to repay some of its currently outstanding debts and liabilities. The transactions described in this Current Report reflect the Company's efforts to reorganize its operations and to reposition its business and operations.

The Board of Directors initially determined that it could no longer fund the development of its two drug candidates and could not obtain additional funding for these drug candidates. Accordingly, the Board sought to maximize its return from these assets and to invest the proceeds that it receives from the disposition of these technologies into a new business that it would develop. The Company chose to develop a business in the rapidly expanding business of renewable alternative energy sources.

The Board evaluated the value of both of its developmental stage drug candidates. The commencement of human clinical trials of the Company's MDI-P currently is on Full Clinical Hold by FDA under 21 CRF 312.42(b) and may not be initiated until deficiencies in the Company's IND application are resolved to the FDA's satisfaction. The FDA has concluded that the Company's IND application did not contain sufficient toxicology and genetic toxicology data to support the safety of the proposed clinical trial. The Company considered the uncertainty of the efficacy and safety of the MDI-P compound, the costs involved in further developing the compound, and the limited market, and thereafter concluded that the Company did not have the capability or capacity to take the MDI-P compound to commercialization. The Company also evaluated the value of its SaveCream drug candidate that is currently being co-developed with Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH, an Austrian company, and determined that the highest value for this drug candidate could be realized through a sale of that drug candidate to Eucodis. Accordingly, as described in further detail below, the Company on July 6, 2007 entered into an agreement with Eucodis to sell SaveCream for an aggregate of 4,007,534 euros (approximately U.S. $5,491,123 based on the currency conversion rate in effect as of September 7, 2007), which consideration is payable in cash and by the assumption of certain of the Company's outstanding liabilities. The consummation of the sale of the SaveCream to Eucodis is contingent upon the approval of the Company's shareholders. A special meeting of the shareholders has been called and is currently scheduled to be held on October 17, 2007. The Company thereafter also entertained various offers to purchase the Company's rights to the MDI-P compound. On August 9, 2007, the Company sold the MDI-P compound for $310,000 in cash.

Having agreed to dispose of its assets, the Company considered entering into a number of other businesses that would enable it to be able to provide the Company's shareholders with future value. The Board of Directors has decided to develop a business to produce and sell seed oils, including seeds oils harvested from the planting and cultivation of *Jatropha Curcas* plant, for the purpose of providing feedstock oil intended for the generation of methyl ester, otherwise known as bio-diesel ("Jatropha Business"). The Company concluded that there was a significant opportunity to participate in the rapidly growing biofuels industry, which previously was mainly driven by high priced, food oil-based feedstocks. In order to commence its new Jatropha based biofuels business, effective September 7, 2007, the Company (i) hired Richard Palmer, an energy consultant, to act as the Company's new President, Chief Operating Officer and future Chief Executive Officer, (ii) engaged Mobius Risk Group, LLC, a Texas company engaged in providing energy risk advisory services, to provide the Company with consulting services related to the development of the Jatropha bio-diesel business, and (iii) acquired certain proprietary rights, intellectual property, know-how, business plans, contracts, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the Jatropha plant for the production of bio-diesel. In order to fund the Company's operations until cash is generated from the sale of the Eucodis sale and from the new Jatropha business, the Company on September 7, 2007 entered into a $1,000,000 loan and security agreement. The terms of the foregoing transactions are described in greater detail below in this Current Reports on Form 8-K.

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ITEM 1.01 ENTRY INTO A MATERIAL AGREEMENT

1. Asset Sale Agreement

On July 6, 2007, the Company, together with its wholly owned subsidiary MDI Oncology, Inc. ("MDI," and collectively with the Company, the "MDI Entities"), entered into a sale and purchase agreement (the "Asset Sale Agreement") with Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH, an Austrian company ("Eucodis"), pursuant to which Eucodis agreed to acquire certain assets of the Company in consideration for a cash payment and the assumption by Eucodis of certain current indebtedness of the Company and MDI (such transactions, collectively, the "Asset Sale"). Pursuant to the Asset Sale Agreement, the Asset Sale is scheduled to be consummated on September 30, 2007, or as soon thereafter as the shareholders of the Company have approved the transaction.

The assets to be acquired by Eucodis pursuant to the Asset Sale Agreement include all of the MDI Entities' right, title and interest in all patents, patent applications, United States and foreign regulatory files and data, pre-clinical study data and anecdotal clinical trial data concerning "SaveCream", a developmental topical aromatase inhibitor cream (the "Product"). The Company acquired the Product and certain other related intellectual property assets from Savetherapeutics AG pursuant to a certain asset purchase agreement between the Company and the liquidator of Savetherapeutics AG, a German company in liquidation, dated as of March 11, 2005. In addition to the Product, at the closing of the Asset Sale, the Company will also assign to Eucodis all of MDI's right, title and interest in a certain co-development agreement between MDI and Eucodis, dated as of July 29, 2006, related to the co-development and licensing of the Product (including the intellectual property rights acquired by MDI or the Company in connection with that development) and their rights under certain other contracts relating to the Products. The assets to be acquired by Eucodis under the Asset Sale Agreement and in connection with the Asset Sale are referred to in this disclosure as the "Disposed Assets".

The purchase price paid by Eucodis for acquiring the Disposed Assets will be approximately $5,491,123, a portion of which comprised (i) a cash payment of $2,108,000, which is due and payable to the Company at the closing, and (b) Eucodis' assumption of an aggregate of $3,383,123 , constituting specific indebtedness currently owed to certain creditors of the Company and MDI ("Assumed Indebtedness"). In addition, at the closing of the Asset Sale, Eucodis will assume (i) all financial and other obligations of the MDI Entities under the Assigned Contracts, and (ii) certain other costs incurred by the MDI Entities since February 28, 2007 in connection with preserving the Purchased Assets for the benefit of Eucodis until closing of the Asset Sale.

Non-Competition

The MDI Entities have agreed to a non-compete provision for the duration of five years after the closing of the Asset Sale. Specifically, the non-compete provision will restrict the MDI Entities, or any of their respective affiliates, from undertaking research and development activities with respect to the Product, or any other product which could be used in reasonable substitution of the Product, or commercializing any products based on the Product, unless expressly authorized by Eucodis.

Representations and Warranties

The MDI Entities and Eucodis each made certain customary representations, warranties and covenants in the Asset Sale Agreement, including non-infringement representations made by the Company and MDI with respect to the Product. The Asset Sale Agreement also contains customary and mutual indemnification provisions for claims relating to breaches of any of the party's representations and warranties contained in the Asset Sale Agreement.

Closing Conditions

The closing of the Asset Sale is currently scheduled to occur on September 30, 2007. Eucodis and the MDI Entities have agreed to extend the date of the closing of the Asset Sale until the day following the date on which the shareholders vote to approve the Asset Sale. The Company has called a special meeting of its shareholders to vote on the Asset Sale. The special meeting is to be held on October 17, 2007. No assurance can be given that the shareholders will vote to approve the Asset Sale. The consummation of the Asset Sale is subject to certain customary conditions, including (i) the delivery of releases from each Assumed Indebtedness creditor releasing the Company from any liability concerning such creditor's portion of the Assumed Indebtedness, and (ii) the Company obtaining additional capital or a credit facility in the aggregate amount of at least $250,000.

A copy of the Asset Sale Agreement is filed as an exhibit to this Current Report on Form 8-K. The summary of the Asset Sale Agreement set forth above is qualified by reference to such exhibit.

2. Share Exchange Agreement; Employment Agreement; Consulting Agreement

On September 7, 2007, the Company entered into a share and exchange agreement (the "Global Agreement") pursuant to which the Company on September 7, 2007 acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC, a Delaware limited liability company ("Global"). Global is a company that owns certain proprietary rights, intellectual property, know-how, business plans, financial projections, contracts, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the seed of the Jatropha plant, for the purpose of providing feedstock oil intended for the production of bio-diesel. Richard Palmer and Mobius Risk Group, LLC ("Mobius"), a Texas limited liability company engaged in providing energy risk advisory services, are the sole owners of the outstanding equity interests of Global. In exchange for all of the outstanding ownership interests in Global, the Company issued 63,945,257 shares of its common stock to Richard Palmer and Mobius. Of the foregoing 63,945,257 shares, 27,405,111 shares are restricted shares that are subject to forfeiture in the event that the Company does not achieve certain operational milestones. In connection with the Global Agreement, the Company also entered into an employment agreement with Richard Palmer (the "Palmer Agreement"), and a consulting agreement with Mobius ("Mobius Agreement"). For a description of significant terms of the Palmer Agreement see the discussion under Item 5.02, below, which is incorporated herein by reference.

Share Exchange Agreement

Under the Global Agreement, the Company on September 7, 2007 issued 63,945,257 shares of its common stock to Mobius and Richard Palmer ("Mr. Palmer") in exchange for all of the issued and outstanding membership interests of Global. Of the 63,945,257 shares issued under the Global Agreement, 36,540,146 shares were issued and delivered to Mr. Palmer (5,220,021 shares) and Mobius (31,320,125 shares) at the closing of the Global Agreement without any restrictions. The remaining 27,405,111 shares of common stock were, however, issued as restricted shares (the "Restricted Shares"), subject to forfeiture in the event that certain specified performance milestones are not achieved (23,490,095 Restricted Shares were issued to Mobius, and 3,915,016 Restricted Shares were being issued to Palmer). Upon the satisfaction from time to time of the operational and market capitalization condition milestones, the Restricted Shares will be released from their restrictions and delivered to Mr. Palmer and Mobius in accordance with the terms and conditions of the Global Agreement. During the time that the Restricted Shares are restricted and subject to forfeiture, the Restricted Shares shall be outstanding shares for all purposes and shall be entitled to vote and receive dividends, if any are declared. In the event that all of the milestone conditions are not achieved, the Restricted Shares that have not been released will be cancelled by the Company and thereafter cease to be outstanding. The transactions contemplated in the Global Agreement were completed concurrently with the execution of the Global Agreement on September 7, 2007 (the "Effective Date").

Of the Restricted Shares issued under the Global Agreement, 13,702,556 shares (the "Operational Milestone Shares") will be released to Mr. Palmer and Mobius if and when the following conditions (collectively, the "Operational Conditions") are satisfied:

- The execution of certain land lease agreements suitable for the planting and cultivation of *Jatropha Curcas*; and

- The execution of certain operation management agreements with a third-party land and operations management companies with respect to the management, planting and cultivation of *Jatropha Curcas*.

The Operational Milestone Shares will be held in escrow subject to the satisfaction of the Operational Milestones, at which time such shares will be released from escrow and delivered to Mr. Palmer and Mobius.

Of the Restricted Shares issued under the Global Agreement, 13,702,555 shares (the "Market Capitalization Shares") will be released to Mr. Palmer and Mobius in the amounts described below upon satisfaction of the following conditions (collectively, the "Market Conditions"):

- When the Company's "Market Capitalization" reaches $6,000,000, and (ii) the average daily trading volume of the our common stock on the "Trading Market" reaches or exceeds 75,000 shares of common stock for a period of at least 60 consecutive "Trading Days". Upon the satisfaction of this condition, 4,567,518 shares of the Market Capitalization Shares will be released from escrow and delivered to Mr. Palmer and Mobius;

- When the Company's "Market Capitalization" reaches $12,000,000, and (ii) the average daily trading volume of the our common stock on the "Trading Market" reaches or exceeds 100,000 shares of common stock for a period of at least 60 consecutive "Trading Days". Upon the satisfaction of this condition, 4,567,518 shares of the Market Capitalization Shares will be released from escrow and delivered to Mr. Palmer and Mobius; and

- When the Company's "Market Capitalization" reaches $20,000,000, and (ii) the average daily trading volume of the our common stock on the "Trading Market" reaches or exceeds 125,000 shares of common stock for a period of at least 60 consecutive "Trading Days". Upon the satisfaction of this condition, 4,567,519 shares of the Market Capitalization Shares will be released from escrow and delivered to Mr. Palmer and Mobius.

Under the Global Agreement, the term "Market Capitalization" is defined as the product of the number of shares of Common Stock issued and outstanding at the time Market Capitalization is calculated, multiplied by the average closing price of the Company's common stock for the 60 consecutive Trading Days prior to the date of calculation of Market Capitalization, as reported on the Trading Market; the term "Trading Market" means the principal securities trading system on which the Company's common stock is then listed for trading, including the Pink Sheets, the NASDAQ Stock Market, the OTC Bulletin Board, or any other applicable stock exchange; and the term "Trading Day" means any day on which such Trading Market is open for trading.

The Restricted Shares under the Global Agreement are subject to cancellation and termination as follows:

- The Operational Milestone Shares will be returned to the Company and cancelled if the Operational Conditions are not satisfied by the end of the first anniversary of the Effective Date of the Global Agreement; and

- The Market Capitalization Shares will be returned to the Company and cancelled to the extent that the Market Conditions are not satisfied by the end of the second anniversary of the Effective Date of the Global Agreement.

As part of the Global Agreement, Mobius has agreed to a non-competition agreement that prohibits Mobius from engaging or participating in any business that is in competition in any manner whatsoever with the Company's new Jatropha business. The non-competition prohibition is in effect for a period of five years following the Effective Date of the Global Agreement.

Board of Directors

Pursuant to the Global Agreement, Mobius has the right to appoint a director to the Company's Board of Directors following the closing of the transactions contemplated by the Global Agreement (the "Mobius Director"). Eric J. Melvin, who is Chief Executive Officer of Mobius, has been appointed by Mobius to serve as the initial Mobius Director. See, Item 5.02 below.

Mobius Consulting Agreement

Concurrent with the execution of the Global Agreement, the Company also entered into a consulting agreement with Mobius (the "Mobius Agreement") pursuant to which Mobius has agreed to provide consulting services to the Company in connection with the Company's new Jatropha bio-diesel feedstock business. The Company engaged Mobius as consultant to obtain Mobius' experience and expertise in the feedstock/bio-diesel market to assist the Company and Mr. Palmer in developing this new line of operations for the Company. The following is a summary of certain material terms of the Mobius Agreement;

- Under the Mobius Agreement, Mobius has agreed to provide the following services to the Company: (i) manage and supervise any research and development program regarding the location, characterization, and optimal economic propagation of the Jatropha plant; and (ii) manage and supervise the creation, planning, construction, and start-up of plant nurseries and seed production plantations in two geographical areas that may include either Texas, Mexico, the Caribbean or Central America;

- The term of the Mobius Agreement is twelve (12) months, or until the scope of work under the agreement has been completed;

- Mobius will supervise the hiring of certain staff to serve in management and operations roles of the Company, or hire such persons to provide similar services as independent contractors.

- Mobius' compensation for the services provided under the Mobius Agreement is a monthly retainer of $45,000. The Company will also reimburse Mobius for reasonable business expenses incurred in connection with the services provided; and

- The Mobius Agreement contains customary confidentiality provisions with respect to any confidential information disclosed to Mobius or which Mobius receives while providing services under the agreement.

Copies of the Global Agreement and the Mobius Agreement are filed as exhibits to this Current Report on Form 8-K. The summary of these agreements set forth above is qualified by reference to such exhibits.

3. Loan Agreement

On September 7, 2007, the Company entered into a loan and security agreement with Mercator Momentum Fund III, L.P., a California limited partnership, pursuant to which Lender made available to the Company a secured term credit facility in the aggregate principal amount of $1,000,000. In connection with the Loan Agreement, the Company also issued a secured promissory note to Lender in the aggregate principal amount of $1,000,000. To date, Lender has advanced $250,000 under the Loan to the Company. For a description of significant terms of the Loan Agreement and the Note, see the discussion under Item 2.03, below, which is incorporated herein by reference.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

As described above, the Company acquired all of the outstanding membership interests of Global Clean Energy Holdings, LLC from Mobius and Palmer pursuant to the Global Agreement on September 7, 2007. The assets of Global Clean Energy Holdings, LLC consist of certain proprietary rights, intellectual property, know-how, business plans, financial projections, contracts, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the seed of the Jatropha plant, for the purpose of providing feedstock oil intended for the production of bio-diesel. Except for the Global Agreement, there was no relationship between the Company and either Mobius or Palmer prior to the Effective Date.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION

In order to fund its operations pending the closing of the Eucodis Asset Sale Agreement, on September 7, 2007, the Company entered into a loan and security agreement ("Loan Agreement") with Mercator Momentum Fund III, L.P., a California limited partnership ("Lender"), pursuant to which Lender made available to the Company a secured term credit facility in the aggregate principal amount of $1,000,000 (the "Loan"). In connection with the Loan Agreement, the Company also issued a secured promissory note to Lender in the aggregate principal amount of $1,000,000 (the "Note"). The Loan is secured by a first priority lien on all of the assets of the Company. Lender and its affiliates currently own all of the issued and outstanding shares of Series A Convertible Preferred Stock.

Loan Agreement and Note

Under the Loan Agreement, Lender has agreed to advance the Loan to the Company, subject to the satisfaction of certain conditions discussed below. Lender may assign any or all of its rights under this Loan Agreement one or more institutional investors or the affiliates thereof or to one or more of its affiliates or wholly-owned subsidiaries. Interest is payable on the Loan and the Note at a rate of 12% per annum, payable monthly. The loan matures and becomes due and payable on December 14, 2007 (the "Maturity Date"). The Company has the right to pre-pay the Loan at any time without penalty. The $1,000,000 amount of the Loan will become available to the Company subject to the following schedule:

- $250,000 was advanced to the Company upon execution of the Loan Agreement;
- $500,000 shall be available to the Company on September 28, 2007; and
- $250,000 shall be available to the Company on October 12, 2007.

Pursuant to the Loan Agreement, the proceeds of the Loan may be used by the Company for working capital purposes, consisting of expenditures set forth on a proposed budget. The Loan Agreement includes customary closing conditions for transactions of this nature, including the following:

- Execution and delivery by the Company to Lender of UCC-1 financing statements covering the Collateral (defined below);
- Trading in the Company's common stock shall not have been suspended by the Securities and Exchange Commission (the "SEC"), and the Company's common stock shall be listed for trading on a public securities trading system or exchange, including the Pink Sheets, the Over-the-Counter Bulletin Board, the Nasdaq Capital Market, the Nasdaq Global Market, or any exchange;
- Exchange of the warrants to purchase 27,452,973 shares at a price of $0.1967 per share previously issued to Lender and certain of its affiliates to (i) lower the exercise price of such warrants to $0.01 per share, (ii) permit the cash-less exercise of the warrants, and (iii) extend the expiration date thereof to September 30, 2013;

- The closing of the transactions contemplated by Global Agreement;

- Delivery to Lender by the Company of written confirmation that the Company has commenced a financial audit by its certified public accountant for the fiscal year ended December 31, 2006; and

- Delivery to Lender by the Company of written confirmation that the Company has commenced the preparation of the delinquent annual and quarterly reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "SEC Reports").

Pursuant to the Loan Agreement, the Company has granted to Lender a security interest in certain assets of the Company, including, all accounts, chattel paper, documents, equipment, inventory, intellectual property and other general intangibles of the Company (the "Collateral").

The Loan Agreement includes certain affirmative covenants to be performed by the Company during the term of the Note, including the following:

- The Company shall file all delinquent SEC Reports by October 31, 2007, and file all other SEC Reports on a timely basis; and

- Within 10 business days after the Company has filed all delinquent SEC Reports, the Company must apply to have its common stock quoted on the OTCBB.

The Loan Agreement also includes certain negative covenants binding on the Company during the term of the Note, including that the Company shall not:

- Pay declare or set apart for such payment, any dividend or other distribution;

- Redeem, repurchase or otherwise acquire any of its capital stock;

- Create, incur or assume any liability for borrowed money (other than trade creditors in the ordinary course of business);

- Lend money, give credit or make advances to any person or entity, including affiliates of the Company (except for in the ordinary course of business);

- Assume or guarantee the obligation of any person or entity;

- Use any of the proceeds of Loan in a manner other than as permitted under the Loan Agreement;

- Liquidate or dissolve or enter into any consolidation, merger, partnership, joint venture, syndicate or other combination;

- Engage in certain transactions with affiliates of the Company, including, purchase or acquire any property from, or sell or transfer any property to, or lend any money to, or borrow any money from, or guarantee any obligation of, or acquire any stock, obligations or securities of, or enter into any merger or consolidation agreement with any such affiliate.

In addition to the foregoing, the Loan Agreement includes customary representations and warranties made the Company for the benefit of Lender, and usual and customary events of default.

Copies of the Loan Agreement and the Note are filed as exhibits to this Current Report on Form 8-K. The summary of the Loan Agreement and the Note set forth above is qualified by reference to such exhibits.

ITEM 3.02 UNREGISTERED SALES OF SECURITIES.

As described in Item 1.01 above, under the Global Agreement, the Company on September 7, 2007 issued 63,945,257 shares of its common stock to Mobius and Richard Palmer in exchange for all of the issued and outstanding membership interests of Global. The shares of Common Stock issued to Richard Palmer and Mobius under the Global Agreement were not registered under the Securities Act of 1933, as amended (the "Act") and were issued and sold in reliance upon the exemption from registration contained in Section 4(2) of the Act and Regulation D promulgated thereunder. The shares of Common Stock issued under the Global Agreement may not be reoffered or sold in the United States by the holders in the absence of an effective registration statement, or valid exemption from the registration requirements, under the Act.

In consideration for the loan obtained under the Loan Agreement, on September 7, 2007, the Company agreed to issue to three accredited investment funds three new warrants to purchase an aggregate of 27,452,973 shares at a price of $0.01 per share in exchange for currently outstanding warrants owned by those investment funds to purchase the same number of shares. The cancelled warrants were exercisable at a price of $0.1967 per share. The expiration date of the newly issued warrants is September 30, 2013. The new warrants were issued in reliance upon the exemption from registration contained in Section 4(2) of the Act and Regulation D promulgated thereunder.

ITEM 5.02 ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS, COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

Palmer Employment Agreement

On September 7, 2007, the Company entered into an employment agreement with Richard Palmer (the "Palmer Agreement") pursuant to which the Company hired Richard Palmer to serve as its President and Chief Operating Officer effective as of September 1, 2007. Mr. Palmer was also appointed to serve as director on the Company's Board of Directors to serve until the next election of directors by the Company's shareholders. Upon the resignation of the current Chief Executive Officer, Mr. Palmer also will become the Company's Chief Executive Officer. The Company hired Richard Palmer to take advantage of his experience and expertise in the feedstock/bio-diesel space, and in particular, in the Jatropha bio-diesel and feedstock business. The following is a summary of the material terms of the Palmer Agreement:

- The term of employment commenced September 7, 2007 and ends on September 30, 2010, unless terminated in accordance with the Palmer Agreement;

- Mr. Palmer's compensation package includes a base salary of $250,000, subject to annual increases at the sole discretion of the Company's Board of Directors, and a bonus payment based on Mr. Palmer's satisfaction of certain performance criteria established by the compensation committee of the Company's Board of Directors. The bonus amount in any fiscal year will not exceed 100% of Mr. Palmer's base salary. Mr. Palmer is eligible to participate in the Company's employee stock option plan and other welfare plans;

- The Company granted Mr. Palmer an incentive option to purchase up to 12,000,000 shares of its common stock at an exercise price of $0.03 (the trading price on the date the agreement was signed), subject to the Company's achievement of certain market capitalization goals. The option expires after five (5) years;

- If Mr. Palmer's employment is terminated by the Company without "cause" or by Mr. Palmer for "good reason", he will be entitled to a severance payments including 100% of his then-current annual base salary, plus 50% of the target bonus for the fiscal year in which his employment is terminated, and the incentive option to purchase 12,000,00 shares of common stock shall vest following termination of Mr. Palmer's employment; and

- The Company has agreed to maintain directors' and officers' liability insurance covering Richard Palmer for the services he renders under the Palmer Agreement. The coverage includes Directors and Officers Insurance Tail Policy in the amount of at least $5,000,000 (covering past actions of the Company's director and officers) and a Product Liability Insurance Tail in the amount of $5,000,000 Million (for any past product development of liability claims that may arise).

Appointment of Additional Directors

At a meeting of the Company's Board of Directors (the "Board") held on August 30, 2007, the Board appointed three individuals to the fill three vacancies on the Board. All of the appointments were contingent upon, and became effective as of the consummation of the Global Asset purchase and the execution of the Palmer Agreement. In connection with covenants made by the Company under the Global Agreement and the Palmer Agreement, as described above, the Board appointed Richard Palmer and Eric J. Melvin to fill two of the vacancies on the Board. In addition, the Board appointed Martin Schroeder to fill the final vacancy on the Board. Messrs. Palmer, Melvin and Schroeder will stand for re-election at the Company's next annual meeting of shareholders.

Mr. Eric Melvin currently is the Chief Executive Officer of Mobius and a principal owner of that energy consulting business.

Mr. Richard Palmer is the newly appointed President and Chief Operating Officer of the Company. Prior to joining the Company, Mr. Palmer was a Vice President of Mobius, specializing in the providing consulting services related to alternative energy sources, including bio-diesel feedstock production. Mr. Palmer also owns a minority equity interest in Mobius.

Mr. Martin Schroeder currently is the Executive Vice President & Managing Director of The Emmes Group, a strategic business development, assessment and planning organization specializing in the support of firms engaged in the technology, internet, biotechnology and pharmaceutical industries. Mr. Schroeder has been providing consulting services to the Company since February 2007.

Resignation Agreement Judy Robinett

Effective September 7, 2007, the Company entered into an agreement with Judy Robinett, the Company's current Chief Executive Officer, pursuant to which Ms. Robinett agreed to continue to act as the Company's transitional Chief Executive Officer. Under the agreement, Ms. Robinett agreed to, among other things, assist the Company in the sale of its legacy assets, complete the preparation and filing of the delinquent SEC Reports that related to the periods prior to the appointment of Mr. Palmer, and provide certain shareholder and creditor related services. Upon the completion of the foregoing matters, in particular the filing of the delinquent SEC Reports, Ms. Robinett will resign, and Mr. Palmer will thereafter assume the office of Chief Executive Officer. Under the agreement, Ms. Robinett agreed to (i) forgive her right to receive $1,851,804.93 in accrued and unpaid compensation, un-accrued and pro-rata bonuses, and severance pay and (ii) the cancellation of stock options to purchase 14,000,000 shares of common stock at an exercise price of between $0.01 and $0.02 per share. In consideration for her services, the forgiveness of the foregoing cash payments, the cancellation of the foregoing stock options, and settlement of other issues, the Company agreed to (a) pay Ms. Robinett $500,000 upon the receipt of the Eucodis cash payment under the Asset Sale Agreement, (b) pay Ms. Robinett a commission of fifteen percent (15%) of the gross proceed received by the Company from the sale of the MDI-P asset, (c) pay Ms. Robinett $124,999.98 in cumulative salary and benefits for serving as Chief Executive Officer of the Company during the period from April 1, 2007 until September 30, 2007, and (d) permit Ms. Robinett to retain some of her previously granted incentive stock options in such an amount allowing her to purchase up to two million (2,000,000) shares of common stock, which options shall continue to have the same terms and conditions as currently in existence, including an option price of $0.01 per share and expiration date of December 31, 2112.

ITEM 8.01 OTHER EVENTS

Board of Directors of the Company has called a special meeting of the Company's shareholders to approve the sale of the Company's SaveCream assets to Eucodis. The record date for the meeting is September 24, 2007, and the meeting date is October 17, 2007.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) The financial statements of Global Clean Energy Holdings, LLC will be filed by amendment to this Report.

(b) The pro forma financial statements of the Company giving effect to the acquisition of Global Clean Energy Holdings, LLC will be filed by amendment to this Report.

(d) Exhibits

Exhibit No.	Description
2.1	Asset Sale Agreement dated July 6, 2007 among Medical Discoveries, Inc., MDI Oncology, Inc. and Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH
2.2	Share Exchange Agreement dated September 7, 2007 among Medical Discoveries, Inc., Richard Palmer, and Mobius Risk Group, LLC
10.1	Loan and Security Agreement, dated September 7, 2007, between Medical Discoveries, Inc. and Mercator Momentum Fund III, L.P. (including the form of promissory note and warrant)
10.2	Services Agreement dated September 7, 2007 between Medical Discoveries, Inc. and Mobius Risk Group, LLC
10.3	Employment Agreement dated September 7, 2007 between Medical Discoveries, Inc. and Richard Palmer
10.4	Release and Settlement Agreement dated August 31, 2007 between Medical Discoveries, Inc. and Judy Robinett

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

MEDICAL DISCOVERIES, INC.

Date: September 17, 2007

By: /s/ RICHARD PALMER

Richard Palmer
President

EXHIBIT INDEX

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Exhibit 2.1

SALE AND PURCHASE AGREEMENT

AMONG

MEDICAL DISCOVERIES INC.

AND

MDI ONCOLOGY, INC.

AND

EUCODIS PHARMACEUTICALS FORSCHUNGS-und ENTWICKLUNGS GmbH

Dated

July 6, 2007

Exhibit 2.1

SALE AND ASSET PURCHASE AGREEMENT

This Sale and Asset Purchase Agreement (this "***Agreement***", which term is intended to include all exhibits, schedules and other documents attached hereto or referred to herein) is made and entered into on July 6, 2007 (the "***Effective Date***") by and among Medical Discoveries, Inc., a Utah corporation, whose principal place of business is 1338 South Foothill Drive, #266, Salt Lake City, Utah 84108 ("***MDI***"), MDI Oncology, Inc., a Delaware corporation and wholly-owned subsidiary of MDI, whose principal place of business is 1338 South Foothill Drive, #266, Salt Lake City, Utah 84108 ("***MDI Oncology***" and, together with MDI, the "***MDI Parties***") and Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH, an Austrian company whose principal place of business is Brunnerstrasse 59, 1230, Vienna, Austria ("***EUCODIS***"; collectively, the MDI Parties and EUCODIS are referred to as the "***Parties***").

RECITALS

MDI purchased substantially all of the intellectual property assets of Savetherapeutics AG a German company in liquidation pursuant to an agreement with its liquidator dated March 11, 2005 (the "***Savetherapeutics Contract***"), as a result of which the MDI Parties own, among other things, patents, patent applications, pre-clinical study data and anecdotal clinical trial data concerning "SaveCream", a developmental topical aromatase inhibitor cream (the "***Product***").

MDI Oncology and EUCODIS entered into an agreement for the co-development and license of the Product as of July 29, 2006 (the "***Co-Development Contract***").

On March 8, 2007, the Parties entered into a letter of intent for the acquisition by EUCODIS of all of the MDI Parties' rights under the Savetherapeutics Contract, and all intellectual property and other rights belonging to the MDI Parties, whether subsequently acquired or developed by or though the efforts of the MDI Parties or otherwise which are related to the Product.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement, the following definitions shall apply unless specifically stated otherwise

1.1 **"*Affiliate***" shall mean, with respect to any Person, any other Person controlling, controlled by or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation (or other entity) if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation (or other entity), whether through the ownership of voting securities, by contract or otherwise

1.2 "***Agreement***" shall have the meaning set forth in the heading of this document.

1.3 "***Assigned Contracts***" shall have the meaning set forth in Section 3.2(a) of this Agreement.

1.4 "***Closing***" shall have the meaning set forth in Section 4.1(b).

1.5 "***Co-Development Contract***" shall have the meaning set forth in the Recitals to this Agreement.

1.6 "***Commitment***" shall have the meaning set forth in Section 4.1 of this Agreement.

1.7 "***Confidential Information***" shall have the meaning set forth in Section 8.1 of this Agreement.

1.8 "***Creditor Indebtedness***" shall have the meaning set forth in Section 3.1(a) of this Agreement.

1.9 "***Effective Date***" shall have the meaning set forth in the heading of this Agreement.

1.10 "***Encumbrance***" shall mean any title defect, mortgage, assignment, pledge, hypothecation, security interest, lien, charge, option, claim of others or encumbrance of any kind.

1.11 "***Escrow Agent***" shall mean the New York City law firm of Otterbourg, Steindler, Houston & Rosen, P.C.

1.12 "***EUCODIS***" shall have the meaning set forth in the heading of this Agreement.

1.13 "***Excess Portion***" shall have the meaning set forth in Section 3.1(b) of this Agreement.

1.14 "***MDI***" shall have the meaning set forth in the heading of this Agreement.

1.15 "***MDI Creditor***" shall have the meaning set forth in Section 3.1(a) of this Agreement.

1.16 "***MDI Oncology***" shall have the meaning set forth in the heading of this Agreement.

1.17 "***MDI Parties***" shall have the meaning set forth in the heading of this Agreement.

1.18 "***MDI Retained Creditors***" shall have the meaning set forth in Section 6.1(s) of this Agreement.

1.19 "***Parties***" shall have the meaning set forth in the heading of this Agreement.

1.20 "***Patent Rights***" shall mean all of the MDI Parties' right, title and interest in the patents and patent applications acquired under the Savetherapeutics Contract or in connection therewith, and any other patent and/or patent application pertaining to the Product, owned or in possession or control of or under contract for the MDI Parties, and any division, continuation, continuation-in-part, renewal, extension, reexamination or reissue of each such patent and any and all corresponding US and foreign counterpart patent applications or patents.

1.21 "***Product***" shall have the meaning set forth in the Recitals to this Agreement.

1.22 **"*Purchased Assets*"** shall have the meaning set forth in Section 2.1 of this Agreement.

1.23 "***Purchase Price***" shall have the meaning set forth in Section 3.1 of this Agreement.

1.24 **"*Person*"** shall mean any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

1.25 "***Savetherapeutics Contract***" shall have the meaning set forth in the Recitals to this Agreement.

1.26 "***Schmidt Litigation***" shall have the meaning set forth in Section 3.2(b) of this Agreement.

1.27 "***Transfer Documents***" shall have the meaning set forth in Section 2.5 of this Agreement.

ARTICLE 2
SALE, ASSIGNMENT AND TRANSFER OF PURCHASED ASSETS

2.1 Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties of the Parties herein set forth, promptly following satisfaction of the conditions to the Closing set forth in Article 4 of this Agreement, the MDI Parties are selling, assigning, transferring, conveying and delivering, as the case may be, to EUCODIS, and EUCODIS shall purchase and, as set forth in Article 3 of this Agreement, pay for, all of the MDI Parties' rights, title and interests in and relating to the Product and the following related assets of the MDI Parties (collectively, the "***Purchased Assets***"):

(a) All of the intellectual property and all contractual and other rights, if any, acquired by the MDI Parties pursuant to the Savetherapeutics Contract;

(b) All of the rights of the MDI Parties under the Co-Development Contract, including without limitation the intellectual property and all contractual and other rights acquired by the MDI Parties pursuant to the Co-Development Contract;

(c) Any and all Patent Rights, inventions, discoveries, rights in confidential data (including know-how and trade secrets), manufacturing methods and processes, trademarks, trade names, brand names, logos, trade dress, copyrights and other intellectual property and goodwill associated with the Product, owned or in possession or control of or under contract to acquire by the MDI Parties, in each case whether registered or unregistered, and including without limitation all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection;

(d) Any and all United States and foreign regulatory files and data relating to the Product in the possession or control of the MDI Parties, including without limitation marketing authorization procedures and preclinical and clinical studies; and,

(e) All rights of the MDI Parties under the Assigned Contracts.

2.2 The Purchased Assets are being sold, assigned, transferred, conveyed and delivered to EUCODIS free of any and all liabilities, obligations and Encumbrances except only for those as may be described in reasonable detail in *Exhibit 2.2* (to the extent that Exhibit 2.2 has been attached to this Agreement prior to the Effective Date).

2.3 Upon the Closing, all of the Purchased Assets and all non-publicly available information relating thereto shall be considered to be Confidential Information belonging to EUCODIS, and the MDI Parties shall no longer have any rights thereto or therein.

2.4 The MDI Parties shall be solely responsible for all sales, use, transfer, value added and other related taxes, if any, arising out of the sale by MDI Parties of the Purchased Assets to EUCODIS pursuant to this Agreement.

2.5 Simultaneously with the execution and delivery of this Agreement by the Parties, the MDI Parties shall deliver to the Escrow Agent (in original, fully executed form) all assignments, bills of sale and other documents which are necessary, sufficient or reasonably desirable to effect the transfer of the Purchased Assets to EUCODIS, along with all other documents referred to in this Agreement as being delivered to EUCODIS on or prior to the Closing (collectively, the "Transfer Documents"). The Transfer Documents shall be held by the Escrow Agent for delivery as set forth in Article 4 of this Agreement.

ARTICLE 3
PURCHASE PRICE; TIMING OF PAYMENTS; DISCHARGE OF CERTAIN DEBTS

3.1 The purchase price for the Purchased Assets (the "***Purchase Price***") shall consist of the following:

(a) Relief of the MDI Parties from an aggregate of two million four hundred sixty-nine thousand seventy-two Euros (2,469,072€) of indebtedness, which is comprised of the following amounts (each a "***Creditor Indebtedness***") owed to the following creditors of the MDI Parties (each an "***MDI Creditor***"):

(i) 1,850,000 € owed to the Liquidator of Savetherapeutics AG;
(ii) 205,000 € owed to Professor Wieland;
(iii) 188,197€ owed to Mayer, Brown, Rowe and Maw, LLP;
(iv) 127,875 € owed to Epstein, Becker and Green, LLP;
(v) 46,000 € owed to H3 Pharma;
(vi) 31,000 € owed to Millbank Tweed (Bob Koch); and
(vii) 21,000 € owed to Marc Kessemeier

(b) An aggregate of one million five hundred thirty-eight thousand four hundred and sixty-two Euros (1,538,462€) (herein, the "***Excess Portion***").

(c) On or before September 30, 2007, EUCODIS shall pay the Excess Portion to the MDI Parties or to another party as the MDI Parties may so direct.

(d) MDI Parties shall be responsible to cause the transfer of the Purchased Assets to EUCODIS by the Closing.

(e) On Closing, EUCODIS shall deliver to the MDI Parties, in form and substance reasonably satisfactory to the MDI Parties, releases from each of the MDI Creditors forever discharging and releasing the MDI Parties from any liability for any of their respective Creditor Indebtedness.

3.2 In addition, on the Closing, EUCODIS shall assume and shall be financially responsible for:

(a) The financial obligations of the MDI Parties arising under the assigned contracts described in reasonable detail in *Exhibit 3.2(a)* (to the extent that Exhibit 3.2(a) has been attached to this Agreement prior to the Effective Date); *provided*, *however*, that the benefits of each of such assigned contracts (the "***Assigned Contracts***") has been validly assigned to EUCODIS in accordance with the terms thereof.

(b) All costs accruing after February 28, 2007 which were necessarily incurred by or on behalf of the MDI Parties to maintain any of the Purchased Assets, including but not limited to: (i) the costs to file and maintain, throughout the world, any of the Patent Rights, and (ii) the legal fees and related legal costs incurred in connection with the legal proceedings in Hamburg, Germany to obtain certain rights belonging to the MDI Parties by co-inventor Dr. Alfred Schmidt (the "***Schmidt Litigation***"); *provided*, *however*, that a reasonably detailed description of such costs are set forth in *Exhibit 3.2(b)* (to the extent that Exhibit 3.2(b) has been attached to this Agreement prior to the Effective Date) and that such costs are backed up by duly rendered invoices (or receipts) and the amounts set forth thereon for any costs do no exceed the amounts listed on Exhibit 3.2(b) by more than ten percent (10%). After the Effective Date, the MDI Parties shall continue to vigorously prosecute the Schmidt action (which shall be conducted at the direction, and under the control, of EUCODIS) at the sole expense of EUCODIS until such time, if any, as EUCODIS can be substituted for the MDI Parties in such action. For purposes of clarification, the reasonably incurred out-of-pocket expenses of the MDI Parties and their representatives (including legal fees and costs), in furnishing such assistance as may be reasonably requested by EUCODIS, shall be at the sole expense of EUCODIS.

ARTICLE 4
CONDITIONS TO THE CLOSING

4.1. The Closing shall occur if the following conditions are met:

(a) The MDI Parties shall have delivered to the Escrow Agent all of the Transfer Documents,

(b) The Escrow Agent shall not deliver the Transfer Documents to EUCODIS until such time as EUCODIS has delivered to the MDI Parties (i) the Excess Portion of the Purchase Price without any off set or deduction, and (ii) releases from each of the MDI Creditors in which such MDI Creditors forever discharges and releases the MDI Parties from any liability for any of their respective Creditor Indebtedness, or paid in full the amounts set forth in Section 3.1(a) to the MDI Parties for the account of such MDI Creditor.

4.2 In the event that the Closing does not occur by September 30, 2007, and unless the parties have otherwise agreed in writing, the Escrow Agent shall deliver the Transfer Documents to the MDI Parties or to whomever as the MDI Parties may so direct.

4.3 Irrespective of any provision of this Agreement to the contrary, the obligation of EUCODIS to purchase the Purchased Assets is subject to the fulfillment, at or before the Closing, of each of the following conditions (all or any of which may be waived in whole or in part by EUCODIS in its sole discretion):

(a) Each of the representations and warranties made by the MDI Parties in this Agreement shall be true and correct in all material respects on and as of the Closing as though such representation or warranty was made on and as of the Closing.

(b) The MDI Parties shall have performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement to be so performed or complied with by the MDI Parties at or before the Closing.

(c) The MDI Parties shall have delivered to the Escrow Agent all of the Transfer Documents.

(d) Since the Effective Date, MDI shall have obtained additional capital or a credit facility aggregating in the amount of at least $250,000.00.

(e) The MDI Parties shall have delivered or caused to be delivered to the Escrow Agent or to EUCODIS any and all originals and copies of documents pertaining to Purchased Assets and the Product, which are within the possession or control of the MDI Parties, along with any additional documents reasonably requested by EUCODIS.

4.4 In the event that, before the Creditor Indebtedness of any MDI Creditor has been fully satisfied, actions are taken pursuant to which either of the MDI Parties voluntarily declares bankruptcy (however evidenced), or involuntary is caused to become bankrupt, then the unpaid amount(s) of any still outstanding Creditor Indebtedness shall be paid into the court having jurisdiction over the bankrupt's estate.

4.5 If valid transfer of title to any Purchased Assets or portion thereof is not made on the Closing and can not be made by the MDI Parties promptly thereafter, or if the circumstances that make such assignment or transfer or any claim to any of the Purchased Assets to EUCODIS questionable or impracticable for any reason, it shall be the obligation of the MDI Parties to determine another way by which EUCODIS shall be able to utilize the Purchased Assets with equal or at least substantially similar economical effect, including (if agreeable to EUCODIS) under an exclusive, royalty-free, perpetual license with the right to sublicense.

ARTICLE 5
DELIVERIES BY THE MDI PARTIES; RESIDUAL RIGHTS

5.1 As soon as possible, but no later than within fifteen (15) business days after the Effective Date, the MDI Parties shall deliver or cause to be delivered to the Escrow Agent any and all originals and copies of documents pertaining to Purchased Assets and the Product, which are within the possession or control of the MDI Parties. All of such documents after the Closing are considered to be Confidential Information of EUCODIS in accordance with Article 8 of this Agreement.

5.2 Promptly after the Effective Date, the MDI Parties shall deliver to the Escrow Agent (or if the Closing has occurred, to EUCODIS) such additional assignments and bills of sale transferring title to the Purchased Assets and the Product as EUCODIS reasonably shall request, and promptly following the Closing shall cause the change of title to such assets to be recorded by applicable patent offices as appropriate

5.3 The MDI Parties shall be entitled to retain one copy of any documents being delivered, but only in its legal files for evidential purposes in respect of its confidentiality obligations in relation to this Agreement or other matters related hereto.

5.4 It is expressly understood and agreed that EUCODIS is not the successor to either of the MDI Parties in their business affairs, and EUCODIS undertakes no responsibility, obligation or liability, expressed or implied, under any contract of the MDI Parties that are not Assigned Contracts, and that such other contracts shall remain the sole responsibility of the MDI Parties.

5.5 For the period of five (5) years from the Closing, neither of the MDI Parties, nor any of its or their Affiliates shall be a party to, or assist with or undertake, either on its own, with third parties or on behalf of third parties, any research and development with respect to the Product or any product which could be used in reasonable substitution thereof, nor commercialize any products based on the Product, save as requested by EUCODIS.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 The MDI Parties represent, warrant and covenant to EUCODIS as of the Effective Date and at the Closing as follows:

(a) MDI is a corporation duly and validly existing and in good standing under the laws of the State of Utah. MDI Oncology is a corporation wholly-owned by MDI which is duly and validly existing and in good standing under the laws of the State of Delaware, and does not conduct business in any other jurisdiction. Each of the MDI Parties has all requisite power and authority to own its assets, including the Purchased Assets, and to carry on its business as presently conducted.

(b) Each of the MDI Parties has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement.

(c) All acts (corporate or otherwise) required to be taken by or on the part of, and all approvals required to be obtained by, each of the MDI Parties necessary to enter into this Agreement, consummate the transactions contemplated by this Agreement and perform its obligations under this Agreement have been duly and properly taken by such MDI Party.

(d) This Agreement has been duly and validly executed and delivered by the MDI Parties, and constitutes the legal, valid and binding obligation of the MDI Parties enforceable against the MDI Parties in accordance with its terms, subject to applicable bankruptcy, moratorium, reorganization, insolvency and similar laws of general application relating to or affecting the rights and remedies of creditors generally and to general equitable principles (regardless of whether a proceesings is brought in equity or at law).

(e) The Purchased Assets do not constitute all or substantially all of the assets of MDI.

(f) The execution and delivery of this Agreement by each of the MDI Parties, the consummation by it of the transactions contemplated by this Agreement, and the performance by it of its obligations under this Agreement does not, and will not at all relevant times (i) violate or conflict with any provision of its respective Certificate of Incorporation or By-Laws, or (ii) result in a violation by such MDI Party of any law to which it or any of its properties or assets are subject.

(g) The execution and delivery of this Agreement by each of the MDI Parties, the consummation by it of the transactions contemplated by this Agreement, and the performance by it of its obligations under this Agreement does not, and will not at all relevant times violate, or conflict with, or result in a breach of any provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any agreement lease, instrument, obligation, understanding or arrangement to which such MDI Party is a party or by which any of its properties or assets is subject.

(h) Except as set forth in *Exhibit 6.1(h)* (to the extent that Exhibit 6.1(h) has been attached to this Agreement prior to the Effective Date), there is no litigation, proceeding, investigation, arbitration or claim pending, or, to the best of the knowledge of the MDI Parties, threatened against the MDI Parties, and there is, to the best of the MDI Parties' knowledge, no reasonable basis for any such action, which affects in whole or in part either MDI Party's ability to consummate the transactions contemplated by this Agreement, the performance of the MDI Parties obligations hereunder or the ability of EUCODIS to fully enjoy the Purchased Assets.

(i) To the best of the MDI Parties' knowledge, the use of the Purchased Assets does not infringe intellectual property rights of third parties, except to the extent as may have been alleged in the Schmidt Litigation, (ii) the Purchased Assets are free from any liens, charges and Encumbrances or other rights of third parties, (iii) the full enjoyment of the Purchased Assets are not dependant on any rights of third parties, (iv) no fraudulent or other improper document has been filed with any third governmental agency which may invalidate any of the rights enjoyed by the Purchased Assets, and (v) the Purchased Assets are, to the best knowledge of the MDI Parties, valid and enforceable against third parties, and there are no grounds for revocation, invalidation or re-examination of any of the Purchased Assets

(j) Except as set forth in *Exhibit 6.1(j)* (to the extent that Exhibit 6.1(j) has been attached to this Agreement prior to the Effective Date), no permit, consent, approval or authorization of, or declaration, filing or registration with, any governmental authority or other third party is or will be necessary to be made or obtained by the MDI Parties in connection with (i) the execution and delivery by MDI of this Agreement, (ii) the consummation by them of the transactions contemplated under this Agreement, or (iii) the performance by the MDI Parties of their obligations under this Agreement.

(k) One or both of the MDI Parties are a party to each of the Assigned Contracts, all of which (i) are in full force and effect, (ii) constitute binding and enforceable obligations, (iii) subject to the terms and conditions thereof, are assignable to EUCODIS, and (iv) are being duly assigned to EUCODIS at the Closing.

(l) Except as set forth in *Exhibit 6.1(l)* (to the extent that Exhibit 6.1(l) has been attached to this Agreement prior to the Effective Date), all of the Purchased Assets are legally, beneficially, and solely owned by the MDI Parties, and there are no pending or threatened claims or any other undisclosed liabilities that could impair any right or claim of the MDI Parties is assigning and transferring that may be deemed to be part of, or arise under or are related to, the Purchased Assets to EUCODIS under this Agreement or that may cause any liability to be incurred by EUCODIS as the result of its use of the Purchased Assets after the Closing.

(m) The MDI Parties have not granted any third parties any rights relating to the Product or relating in any way to any of the rights obtained pursuant to the Savetherapeutics Contract.

(n) *Schedule 6.1(n)* contains a complete and correct list of (i) all documents relating to the Savetherapeutics Contract, including without limitation the Savetherapeutics Contract, all exhibits and schedules thereto, all amendments thereof and all correspondence pertaining thereto with, or on behalf of, the liquidator of Savetherapeutics AG, dated subsequent to March 11, 2005, (ii) all invoices and other debit memoranda from each of the MDI Creditors which support the Creditor Indebtedness, and (iii) all contracts, findings and correspondence with any other third parties, including consultants, which relate to the Purchased Assets and which were obtained on or after March 11, 2005. Prior to or on the Effective Date, the MDI Parties have delivered or are delivering to EUCODIS or as it may direct a true and complete copy of each item listed on Schedule 6.1(n).

(o) As specifically set forth in this Agreement, the MDI Parties shall timely fulfill obligations which relate to or otherwise affect, in any respect, the Purchased Assets. The MDI Parties shall indemnify and reimburse EUCODIS and its officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses incurred by EUCODIS and its officers, directors, employees, consultants and agents arising from any claims by the contractual parties of the Assigned Contracts in relation to the non-fulfillment of any obligations of the MDI Parties prior to the Effective Date.

(p) The MDI Parties shall be responsible for obtaining any consents and approvals by the contractual parties to the Assigned Contracts necessary to effectuate the assignment of the Assigned Contracts to EUCODIS, and to obtain the consent and approval of the MDI Creditors for the assumption and transfer of their debt to EUCODIS; *provided*, *however*, that EUCODIS shall render the MDI Parties reasonable help in obtaining such consents and approvals.

(q) If valid transfer of title to any Purchased Assets or portion thereof is not made on the Closing and can not be made by the MDI Parties promptly thereafter, or if the circumstances that make such assignment or transfer or any claim to any of the Purchased Assets to EUCODIS questionable or impracticable for any reason, it shall be the obligation of the MDI Parties to determine another way by which EUCODIS shall be able to utilize the Purchased Assets with equal or at least substantially similar economical effect, including (if agreeable to EUCODIS) under an exclusive, royalty-free, perpetual license with the right to sublicense.

(r) Prior to or on the Effective Date, the MDI Parties have delivered or are delivering to the Escrow Agent an opinion of recognized counsel, addressed to EUCODIS, relating to the representations contained in clauses (a) through (f) above reasonably satisfactory to counsel for EUCODIS, which may contain such reasonable qualifications and exceptions as are customary.

(s) *Schedule 6.1(s)* contains a complete and correct list of creditors of the MDI Parties (including the MDI Creditors) and the amounts owed by the MDI Parties as of June 30, 2007, except for not more than in aggregate of $5, 000 of unlisted indebtedness. After subtracting from such list any Creditor Indebtedness of a MDI Creditor included on such list, the remaining balance is less than $1,850,000.

6.2 EUCODIS represents, warrants and covenants to the MDI Parties as follows:

(a) EUCODIS is a company duly organized, validly existing and in good standing under the laws of Austria and has all requisite power and authority to own its assets and to carry on its business as presently conducted.

(b) EUCODIS has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(c) All acts (corporate or otherwise) required to be taken by or on the part of, and all approvals required to be obtained by, EUCODIS necessary to enter into this Agreement, consummate the transactions contemplated by this Agreement and perform its obligations under this Agreement have been duly and properly taken by EUCODIS.

(d) This Agreement has been duly and validly executed and delivered by EUCODIS and constitutes the legal, valid and binding obligation of EUCODIS enforceable against EUCODIS in accordance with its terms, subject to applicable bankruptcy, moratorium, reorganization, insolvency and similar laws of general application relating to or affecting the rights and remedies of creditors generally and to general equitable principles (regardless of whether a proceedings is brought in equity or at law).

(e) The execution and delivery of this Agreement by EUCODIS, the consummation by it of the transactions contemplated by this Agreement, and the performance by it of its obligations under this Agreement does not, and will not at all relevant times (i) violate or conflict with any provision of its operative governing documents, or (ii) result in a violation by EUCODIS of any law to which it or any of its properties or assets are subject.

(f) The execution and delivery of this Agreement by EUCODIS, the consummation by it of the transactions contemplated by this Agreement, and the performance by it of its obligations under this Agreement does not, and will not at all relevant times violate, or conflict with, or result in a breach of any provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any agreement lease, instrument, obligation, understanding or arrangement to which EUCODIS is a party or by which any of its properties or assets is subject.

(g) EUCODIS shall timely fulfill after the Closing all obligations incurred to the MDI Parties under or pursuant to this Agreement. EUCODIS shall indemnify and reimburse the MDI Parties and their officers, directors, employees and agents from and against all liabilities, claims, damages, costs and expenses incurred by the MDI Parties and their officers, directors, employees and agents arising from any claims by the contractual parties of the Assigned Contracts in relation to the non-fulfillment of any obligations of EUCODIS arising on or after the Closing..

(h) If any MDI Creditor does not agree to have its debt obligation assumed by, and transferred to, EUCODIS, then EUCODIS shall pay the amount set forth in Section 3.1(a) to MDI for the account of such MDI Creditor, and MDI shall immediately make payment to such MDI Creditor and will be solely responsible for such payment. MDI shall provide written notification to EUCODIS that said payment to such MDI Creditor has been made by MDI.

6.3 In addition to any obligations of indemnification by the MDI Parties set forth under this Agreement, the MDI Parties shall indemnify, defend and hold harmless EUCODIS and its officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by EUCODIS and its officers, directors, employees and agents arising from the breach of any of the representations, warranties or covenants made by the MDI Parties under this Agreement.

6.4 In addition to any obligations of indemnification by EUCODIS set forth under this Agreement, EUCODIS shall indemnify, defend and hold harmless the MDI Parties and their officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by the MDI Parties and its officers, directors, employees and agents arising from the breach of any of the representations, warranties or covenants made by EUCODIS under this Agreement.

ARTICLE 7
INDEMNIFICATION

7.1 From and after the Closing, the MDI Parties shall defend, indemnify and hold harmless EUCODIS and its officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by EUCODIS and its officers, directors, employees, consultants and agents arising from or out of (a) any breach of any representation, warranty, covenant or agreement made by the MDI Parties in this Agreement, (b) any act or omission by the MDI Parties (or their agents and employees) in connection with (i) the Purchased Assets, (ii) the Assigned Contracts, to the extent that the cause for such claim was existing prior to or on the Effective Date, or (iii) the transactions contemplated by this Agreement; *provided*, *however*, that with respect to the Creditor Indebtedness owing to the MDI Creditors, the MDI Parties shall have no liability.

7.2 From and after the Closing, EUCODIS shall defend, indemnify and hold harmless the MDI Parties and their officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by the MDI Parties and their officers, directors, employees, consultants and agents arising from or out of (a) any breach of any representation, warranty, covenant or agreement made by EUCODIS in this Agreement, (b) non-payment of the Creditor Indebtedness to the MDI Parties, or (c) any act or omission by EUCODIS (or its agents and employees) in connection with (i) the Purchased Assets, (ii) the Assigned Contracts, to the extent that the cause for such claim was created after the Effective Date, or (iii) the transactions contemplated by this Agreement.

7.3 No obligation of indemnification shall arise relating to a third party claim or cause of action unless the indemnified Party making such claim shall: (a) notify the indemnifying Party of such claim promptly upon becoming aware of the existence or threatened existence of any such claim giving rise to or that may give rise to a claim of indemnification hereunder, and (b) allow the indemnifying Party full control over the defense of such claim and (c) cooperate in the defense of such claim at the indemnifying Party's expense. Notwithstanding any contrary provision in this Article, the failure to so notify, provide information and assistance shall not relieve the indemnifying Party of its obligations to the indemnified Party hereunder if and to the extent that the indemnifying Party is materially prejudiced thereby. If the indemnifying Party does not timely acknowledge its indemnification obligation hereunder with respect to such claim, or elects not to defend such claim, the indemnified Party shall have the right, but not the obligation, to defend and settle such claim until such time as the indemnifying Party acknowledges in writing its indemnification obligation hereunder with respect to such claim or elects in writing to defend and settle such claim in accordance with the indemnification provisions herein. The indemnified Party shall, at its own cost, have the right to participate in any legal proceeding, settlement negotiation or other like event, and to contest and defend a claim and to be represented by legal counsel of its choosing, but shall have no right to settle a claim without the prior written approval of the indemnifying Party.

7.4 Each Party shall cooperate with and provide to the other all information and assistance which the latter may reasonably request in connection with any claim entitling any party to indemnification hereunder.

7.5 No party shall be responsible for or bound by any settlement that imposes any obligation on it that is made without its prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

7.6 For avoidance of any doubt, this Section applies to the situation when (a) both Parties are named defendants, as well as (b) a Party is named a defendant and deems that it may have any right to recourse or indemnification against the other Party under this Agreement.

ARTICLE 8
CONFIDENTIALITY

8.1 For purposes of this Agreement, "***Confidential Information***" shall mean information and data in any medium, including oral, written or electronic, disclosed in connection with this Agreement, relating to the Purchased Assets or the transactions contemplated by this Agreement, along with any trade secrets, business information, technical information, or marketing information that the party disclosing the information deems confidential and has appropriately marked as such prior to disclosing such information to the receiving party. The terms and conditions of this Agreement (but not its existence) are deemed to be Confidential Information that shall not be disclosed to third parties without the written consent of the Parties, with the exception of any regulatory filings, press releases as set forth in Section 9.11, or disclosures to investors that a Party may be required to make under either applicable laws and regulations. Irrespective of the foregoing, Confidential Information shall not include information that (a) was reported as nonconfidential by EUCODIS in writing prior to disclosure, (b) was lawfully in the public domain prior to Closing, or becomes publicly available other than through breach of this Agreement, (c) is publicly disclosed pursuant to legal, judicial or administrative proceedings or otherwise required by law (including, without limitation, regulations promulgated by the U.S. Securities and Exchange Commission), subject to the MDI Parties giving all reasonable prior notice and assistance to EUCODIS to allow it to seek protective or other court orders; and/or (d) is approved for release in writing by EUCODIS. From and after the Closing, all Confidential Information relating to the Purchased Assets shall be deemed to be Confidential Information belonging to EUCODIS.

8.2 Each Party shall:

(a) strictly protect and maintain the confidentiality of the Confidential Information belonging to any other Party with at least a reasonable standard of care that is no less than that which it uses to protect similar confidential information of its own;

(b) not disclose, nor allow to be disclosed, the Confidential Information belonging to any other Party to any person other than to employees, consultants and counsel, on a need to know basis; *provided*, *however*, that such recipients of the Confidential Information are bound by obligations of confidentiality no less strict than those contained herein;

(c) unless otherwise expressly provided for in this Agreement, not use the Confidential Information belonging to any other Party for any purpose other than in relation to the exercise of its rights and obligations under this Agreement; and,

(d) take all necessary precautions to restrict access of the Confidential Information belonging to any other Party to unauthorized personnel; and immediately notify the Party to which the Confidential Information belongs in the event of any unauthorized disclosure or loss of such Confidential Information.

8.3 The MDI Parties shall not publish or otherwise disclose any Confidential Information about or in relation to the Purchased Assets generated or known to them before or after the Effective Date, without the explicit prior written approval of EUCODIS.

8.4 No Party shall assert that anything disclosed or discussed constitutes a waiver of attorney-client privilege or attorney work-product.

8.5 The Parties acknowledge and agree that monetary damages may not be adequate in the event of a default under this Article and that the non-defaulting Party shall be entitled, without the posting of a bond, to seek injunctive relief by a court or other body granting such relief, in which event such relief or receipt of monetary damages shall not constitute an election of remedies; and the non-defaulting Party is independently entitled to each and every remedy available by law for a default under this Article.

8.6 The provisions of this Article, from and after the Effective Date, shall supersede and fully replace any confidentiality obligations established between the Parties in relation to the Purchased Assets prior to the Effective Date.

ARTICLE 9
MISCELLANEOUS

9.1 **Notice**. All notices, requests, demands or other communications to or upon the respective Parties hereto shall be deemed to have been given or made the earlier of (a) actual receipt or refusal to accept receipt, (b) two (2) business days after deposit with a recognized overnight courier service, (c) receipt by facsimile or electronic means, when such delivery is confirmed by the recipient or his agent, or (d) five business days after mailing when deposited in the mails, registered mail or certified, return receipt requested, postage prepaid, addressed to the respective party at the following address (or to such other person or address as is specified elsewhere in this Agreement for specific purposes):

If to EUCODIS:	Eucodis Pharmaceuticals Forschungs – und Entwicklungs GmbH Brunnerstrasser 59, 1235 1230, Vienna, Austria Attention: Wolfgang Schoenfeld, M.D.
If to MDI:	Medical Discoveries, Inc. 1338 South Foothill Drive # 266 Salt Lake City, Utah 84108 Attention: Judy M. Robinett
If to MDI Oncology:	MDI Oncology, Inc. 1338 South Foothill Drive # 266 Salt Lake City, Utah 84108 Attention: Judy M. Robinett

The above addresses for receipt of notice may be changed by any Party by notice, given as provided herein, which notice shall be effective only upon actual receipt.

9.2 **Entire Agreement**. This Agreement contains the entire understanding of the Parties with regard to the transactions contemplated by this Agreement, superseding in all respects any and all prior oral or written agreements or understandings pertaining to the subject matter hereof, other than the Co-Development Contract. This Agreement can be amended, modified or supplemented only by an agreement in writing which is signed by the Parties to be charged.

9.3 **Incorporation of Exhibits and Schedules**. The Exhibits and Schedules attached to this Agreement are incorporated herein and are hereby made a part of this Agreement.

9.4 **Severability**. If and to the extent that any court of competent jurisdiction holds any provision or part of this Agreement to be invalid or unenforceable, such holding shall in no way affect the validity of the remainder of this Agreement before any other court or in any other jurisdiction.

9.5 **Successors and Assigns**. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties.

9.6 **Assignment** The benefits of this Agreement (but not the obligations set forth hereunder) can be assigned or otherwise transferred in whole or in part by either party without the transferring party receiving prior written consent of the other party; *provided*, *howeve*r, that the rights of the non-transferring party under this Agreement remain unaffected.

9.7 **Waiver**. A waiver by any party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future.

9.8 **Headings**. Headings in this Agreement are included for ease of reference only and have no legal effect.

9.9 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9.10 **Applicable Law**. This Agreement is governed by and shall be construed in accordance with the laws of the State of Delaware, regardless of any conflicts of laws provisions. Any disputes under this Agreement shall be first submitted to resolution by the chief executive of the MDI Parties and CEO of EUCODIS, and if the said persons (or their nominees) cannot reach agreement on the disputed issue within a period of thirty (30) days, the Parties shall refer the issue to arbitration under the Rules of Arbitration of the American Arbitration Association, to which the Parties hereby consent. The arbitration shall take place in New York City, New York with three arbitrators, two of whom shall have significant experience in the biotech/pharmaceutical licensing area. The arbitration proceedings shall be conducted in the English language. The arbitrators shall apportion the expenses of the arbitration (including the legal fees and expenses incurred by the parties) between the parties. Any judgment of the arbitrators shall be enforceable in any court of competent jurisdiction.

9.11 **Further Assurances**. The Parties shall provide, grant and/or execute any additional documents or declarations and shall provide any other assistance that may reasonably be requested to enable EUCODIS to acquire and manage the Purchased Assets properly and in full. Except (a) as otherwise provided herein to the contrary, and (b) for the costs of recording any assignments to EUCODIS for the Patent Rights in patent offices worldwide, which cost shall be at the expense of EUCODIS, each of the Parties shall bear its own expenses, including without limitation the expenses relating to the duplication and delivery of documents and the expenses relating to the preparation of this Agreement, the documents referred to herein and the actions being taken (whether before or after the Effective Date) to enable such Party to comply with its representations, warranties, covenants and agreements contained herein.

9.12 **Press Release.** The Parties shall have the right to issue press releases relating to its entry into this Agreement; *provided*, *however*, that prior to release, the releasing Party provides the other Parties with a draft of the press release in sufficient time for the non-releasing Party to comment on the release. At no time shall any Party issue a release which places the other Parties at risk with any governmental authority as such relates to its public company position.

SIGNATURE PAGE

In Witness Whereof, the Parties have caused this Agreement to be duly executed in their respective names and on their behalf, on the date first above written.

**EUCODIS PHARMACEUTICALS FORSCHUNGS-
UND ENTWICKLUNGS GmbH**

By: _____

Wolfgang Schoenfeld, M.D.

Title: Chief Executive Officer

MEDICAL DISCOVERIES, INC.

By: _____

Judy Robinett

Title: President & CEO

MDI ONCOLOGY, INC.

By: _____

Judy Robinett

Title: President & CEO

Exhibit 2.2

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT (this "Agreement"), dated as of this 7th day of September, 2007 (the "Effective Date"), by and among Medical Discoveries, Inc., a Utah corporation (the "Company"), Richard Palmer, an individual ("Palmer"), and Mobius Risk Group LLC, a Texas limited liability company ("Mobius"). Palmer and Mobius are each referred to in this Agreement as a "Seller" and collectively, "Sellers". The Company and Sellers are collectively referred to herein as the "Parties".

WWITNESSETH:

WHEREAS, Global Clean Energy Holdings, LLC, a Delaware limited liability company ("Global"), exclusively owns and controls certain proprietary rights, intellectual property, know-how, business plans, financial projections, contracts, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the seed of the Jatropha plant, for the purpose of providing feedstock oil intended for the production of methyl ester, otherwise known as bio-diesel; and

WHEREAS, Sellers are the owners of all of the issued and outstanding membership units of Global (the "LLC Units"); and

WHEREAS, the Company desires to purchase from Sellers, and Sellers desire to sell to the Company, all of the LLC Units in exchange (the "Exchange") for the issuance by the Company to the Sellers of 63,945,257 shares of the Company's common stock, no par value (the "Common Stock").

NOW, THEREFORE, in consideration of the premises and of the mutual representations, warranties and agreements set forth herein, the Parties agree to the effect the Exchange subject to the following terms and conditions:

ARTICLE I
THE EXCHANGE

1.1 The Exchange. The Parties hereby agree as follows:

(a) Concurrently with the execution of this Agreement, and subject to the terms hereof, including, without limitation, Article V of this Agreement, the Company is issuing to Sellers stock certificates representing an aggregate of 63,945,257 shares of the Common Stock (the "Exchange Shares"). The Exchange Shares are being issued in the following denominations and are being delivered concurrently with the execution of this Agreement as follows:

(i) Stock certificates evidencing an aggregate of 36,540,146 shares of the Common Stock (the "Unrestricted Exchange Shares") are being issued and delivered, free and clear of all mortgages, pledges, claims, liens and other rights and encumbrances. The Company is hereby delivering to Mobius a stock certificate representing 31,320,125 Unrestricted Exchange Shares, and a stock certificate representing 5,220,021 Unrestricted Exchange Shares to Palmer; and

(ii) Stock certificates evidencing an aggregate of 27,405,111 shares of the Common Stock, representing the Operational Milestone Shares and the Market Capitalization Milestone Shares (as such terms are defined in Article V hereof) (collectively, the "Restricted Exchange Shares"), are being registered and issued in the names of the Sellers as follows: 23,490,095 Restricted Exchange Shares are being issued to Mobius, and 3,915,016 Restricted Exchange Shares are being issued to Palmer. The Restricted Exchange Shares have been delivered to the Company and will be released by the Company to the Sellers in such denominations as set forth in Article V if and when the conditions of Article V are met. In the event that some or all of the conditions set forth in Article V are not met, the Restricted Exchanges Shares will be cancelled as set forth in Article V. Notwithstanding the delivery of the Restricted Exchange Shares to the Company, unless and until such shares are cancelled in accordance with Article V, the Restricted Exchange Shares shall entitle Sellers, as the holders thereof, to all of the rights accorded to a holder of Common Stock, including, without limitation, the right to vote such Restricted Exchange Shares and any dividends distributed in connection therewith.

(b) Concurrently with the execution of this Agreement, Sellers are delivering to the Company (i) irrevocable membership interest powers executed by Mobius and by Palmer for the transfer to the Company of LLC Units representing 100% of the issued and outstanding membership units of Global, and (ii) the Amended and Restated Limited Liability Company Agreement of Global that evidences the transfer by the Sellers of the LLC Units, the withdrawal of the Sellers from Global, and the admission of the Company as the sole member of Global. The LLC Units are free and clear of all liens, mortgages, pledges, claims, encumbrances or other rights whatsoever, and the Company is receiving good and merchantable title to the LLC Units.

1.2 Closing Deliveries. Concurrently with the execution and delivery of this Agreement, the parties are delivering the documents and instruments set forth in Article VI.

ARTICLE II
REPRESENTATIONS AND WARRANTIES REGARDING GLOBAL

The Sellers, jointly and severally, represent and warrant to the Company as follows (except with respect to the representations contained in Sections 2.2 and representations made to the knowledge of any Seller, which representations are made severally by each Seller); provided, however, that anything disclosed in any schedule referred to below shall be deemed to be included in all other schedules:

2.1 Due Organization and Qualification. Global is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, with full limited liability company power and authority to own and operate its business (including, without limitation, the Jatropha Business (as defined in Section 2.7 hereof)), and to carry on its business in the places and in the manner as presently conducted or proposed to be conducted. Global is in good standing in each jurisdiction in which the properties owned, leased or operated, or the business conducted, by it requires such qualification except where the failure to so qualify is not likely to have a material adverse effect on the business, assets or operations of Global.

2.2 Subsidiaries. Global does not own, directly or indirectly, any capital stock, equity or interest in any corporation, firm, partnership, joint venture or other entity. Prior to the execution and delivery of this Agreement, Global owned a one percent (1%) general partnership interest in Global Clean Energy, L.P., a Texas limited partnership, which one percent (1%) general partnership interest it transferred for no consideration to Mobius. Global Clean Energy, L.P. did not own any rights or assets related to the Jatropha Business or the Jatropha Assets. The transfer of the 1% interest in Global Clean Energy, L.P. prior to the transactions effected by this Agreement did not, and will not (i) adversely affect the ability of Global to conduct its operations as proposed to be conducted and (ii) result in any adverse tax consequences to Global.

2.3 No Conflicts or Defaults. The execution and delivery of this Agreement by the Sellers and the consummation of the transactions contemplated hereby do not and shall not (a) contravene any organizational or charter documents of Global, including, without limitation, the Certificate of Formation of Global, dated as of January 11, 2007, and the Amended and Restated Limited Liability Company Agreement of Global, dated as of May 17, 2007, or (b) with or without the giving of notice or the passage of time, (i) violate, conflict with, or result in a breach of, or a default or loss of rights under, any material covenant, agreement, mortgage, indenture, lease, instrument, permit or license to which Global is a party or by which Global or any of its assets are bound, or any judgment, order or decree known to the Sellers, or any law, rule or regulation to which Global's assets are subject, (ii) result in the creation of, or give any party the right to create, any lien, charge, encumbrance or any other right or adverse interest ("Liens") upon any of the assets of Global, (iii) terminate or give any party the right to terminate, amend, abandon or refuse to perform any material agreement, arrangement or commitment to which Global is a party or by which Global or any of its assets are bound, or (iv) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which Global is to perform any duties or obligations or receive any rights or benefits under any material agreement, arrangement or commitment to which it is a party. Except as set forth on Schedule 2.3 hereto, no consent or approval of any third party, or order, authorization, declaration or filing with any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (a "Governmental Authority"), is required by or with respect to Global in connection with the Exchange or the consummation of the transactions contemplated in this Agreement.

2.4 Capitalization. The LLC Units are collectively owned by Sellers in the amounts set forth on Schedule 2.4 hereto, which LLC Units represent all of the issued and outstanding membership units of Global. The LLC Units when transferred to the Company pursuant to the Exchange, and in accordance with the terms hereof, will be duly authorized, validly issued, fully paid and nonassessable, and have not been or will not be issued in violation of the preemptive right of any current or prior member of Global, including any preemptive rights of Sellers. Except as set forth on Schedule 2.4 hereto, there is no outstanding voting trust agreement or other contract, agreement, arrangement, option, warrant, call, commitment or other right of any character obligating or entitling Global to issue, sell, redeem or repurchase any of its securities, and there is no outstanding security of any kind convertible into or exchangeable for the membership units or other ownership interests of Global. Except as set forth on Schedule 2.4 hereto, Global has not granted any registration rights to any person.

2.5 Financial Statements. Global has provided the Company with copies of the unaudited balance sheet of Global as of the Effective Date, and the unaudited income statements for the period then ended (collectively, the "Global Financial Statements"). The Global Financial Statements present fairly the financial position of Global as of the dates and for the periods indicated therein. Notwithstanding the foregoing, the Global Financial Statements are based upon Global's good faith estimate, and the Company acknowledges that the Seller shall bear no liability with respect to such estimate being inaccurate unless the estimate is established not to be rendered in good faith.

2.6 Indebtedness. As of the Effective Date, Global has no liabilities, indebtedness or other obligations, whether absolute, accrued, contingent or otherwise that have not been fully reserved and reflected on the Global Financial Statements. After the Effective Date, neither Global nor the Company shall become liable for any liabilities or indebtedness (whether absolute, accrued, contingent or otherwise) that may have arisen or been incurred by Global prior to the Effective Date or that may arise in connection with the Exchange or the transactions contemplated hereby, unless a reserve has been established for such liability or indebtedness.

2.7 Licenses, Permits; Jatropha Business. Global owns and controls certain proprietary rights, intellectual property, know-how, business plans, financial projections, contracts, agreements, understandings, term sheets, business relationships, and other information regarding the production of seed oil from the seed of the Jatropha plant (all species) for the purpose of providing feedstock oil intended for the cultivation and production of methyl ester, otherwise known as bio-diesel, as more fully set forth in Schedule 2.7 hereto (collectively, the "Jatropha Business"), and Global has not conveyed any of its ownership in the Jatropha Business and the Jatropha Assets to any third party. Any and all rights that either of the Sellers previously owned in the Jatropha Business and the Jatropha Assets have been assigned and transferred to Global, and such rights are now solely owned by Global. Neither the execution nor delivery of this Agreement by Global nor consummation of the transactions contemplated herein will require any notice or consent under, or have any material adverse effect upon any such existing authorization, license or permit applicable to the Jatropha Business.

2.8 Compliance with Law. Global has conducted its business in material compliance with all applicable U.S. or foreign laws, ordinances, rules, regulations, court or administrative order, decree or process of any U.S. or foreign governmental entity ("Applicable Law"). Global has not received any notice of violation or claimed violation of any Applicable Law. As currently contemplated, if conducted in accordance with the business plan of Global, the Jatropha Business will not violate any Applicable Law.

2.9 Litigation. There is no material claim, dispute, action, suit, proceeding or investigation pending or, to the knowledge of Global or the Sellers, threatened against Global or the Sellers, or challenging (i) the validity or propriety of the transactions contemplated by this Agreement, or (ii) Global's Jatropha Business, at law or in equity or before any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, nor to the knowledge of Global or the Sellers, has any such claim, dispute, action, suit, proceeding or investigation been pending or threatened, during the thirty-six month period immediately preceding the date hereof. There is no outstanding judgment, order, writ, ruling, injunction, stipulation or decree of any court, arbitrator or federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, against Global or the Sellers that would materially interfere with the obligations of Sellers under this Agreement or Global's Jatropha Business. Neither Global nor any of the Sellers has received any written or verbal inquiry from any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality concerning the possible violation of any Applicable Law.

2.10 Taxes. All tax returns and reports relating to Global that were required to be filed on or prior to the date hereof in respect of all income, withholding, franchise, payroll, excise, property, sales, use, value-added or other taxes or levies, imposts, duties, license and registration fees, charges, assessments or withholdings of any nature whatsoever (collectively, "Taxes") have been filed, and Global has paid all Taxes (and any related penalties, fines and interest) which have become due pursuant to such returns or reports or pursuant to any assessment which has become payable, or, to the extent its liability for any Taxes (and any related penalties, fines and interest) has not been fully discharged, the same have been properly reflected as a liability on the books and records (including, without limitation, the Global Financial Statements) of Global and adequate reserves therefore have been established.

2.11 Finder's Fees. Global is not obligated to pay any person any finder's or broker's fees in connection with the transactions contemplated herein.

2.12 Undisclosed Liabilities. Global has no obligation or liability, whether accrued, absolute, contingent, unliquidated or otherwise, whether or not known to Global, whether due or to become due and regardless of when or by whom asserted, arising out of any transaction entered at or prior to the Effective Date, or any action or inaction at or prior to the Effective Date, or any state of facts existing at or prior to the date hereof.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller severally represents and warrants to the Company as follows:

3.1 Title to LLC Units. Seller is the legal and beneficial owner of the LLC Units set forth opposite such Seller's name on Schedule 2.4, and upon consummation of the Exchange contemplated herein, the Company will acquire from Seller good and marketable title to the LLC Units listed as owned by such Seller, and such LLC Units shall be free and clear of all liens excepting only such restrictions upon transfer, if any, as may be necessary for compliance with the Securities Act of 1933, as amended (the "Act").

3.2 Due Authorization. Each Seller represents that it has all requisite power and authority to execute and deliver this Agreement, and to consummate the transactions contemplated hereby. Mobius has taken all limited liability company action necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as may be affected by bankruptcy, insolvency, moratoria or other similar laws affecting the enforcement of creditors' rights generally and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

3.3 No Conflicts or Defaults. The execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated hereby do not and shall not (a) with or without the giving of notice or the passage of time, (i) violate, conflict with, or result in a breach of, or a default or loss of rights under, any material covenant, agreement, mortgage, indenture, lease, instrument, permit or license to which Seller is a party and by which Seller's LLC Units are bound, or any judgment, order or decree, or any law, rule or regulation to which the Seller's LLC Units are subject, (ii) result in the creation of, or give any party the right to create, any Liens upon Seller's LLC Units, or (iii) terminate or give any party the right to terminate, amend, abandon or refuse to perform any material agreement, arrangement or commitment to which Seller is a party and by which Seller's LLC Units are bound. No consent or approval of any third party, or order, authorization, declaration or filing with any Governmental Authority, is required by or with respect to Seller in connection with the Exchange or the consummation of the transactions contemplated in this Agreement.

3.4 Litigation. There is no material claim, dispute, action, suit, proceeding or investigation pending or, to the knowledge of Seller, threatened, against Seller with respect to the LLC Units, or challenging the validity or propriety of the transactions contemplated by this Agreement, at law or in equity or admiralty or before any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, nor to the knowledge of Seller, has any such claim, dispute, action, suit, proceeding or investigation been pending or threatened, during the twelve month period preceding the date hereof. There is no outstanding judgment, order, writ, ruling, injunction, stipulation or decree of any federal, state, local, foreign court or arbitrator or any Governmental Authority against Seller with respect to the LLC Units. Seller has not received any written or verbal inquiry from any federal, state, local, foreign court or any Governmental Authority concerning the possible violation of any Applicable Law with respect to the LLC Units.

3.5 Taxes. Seller has filed all tax returns and reports which were required to be filed on or prior to the date hereof in respect of the LLC Units, and has paid all Taxes in respect of the LLC Units (and any related penalties, fines and interest) that have become due pursuant to such returns or reports or pursuant to any assessment which has become payable. Notwithstanding anything to the contrary herein, the Company shall not assume any obligation relating to, and in no event shall the Company be liable for any, Taxes in respect of the LLC Units arising prior to the Effective Date.

3.6 Purchase for Investment; Accredited Investor.

(a) Seller is an "accredited investor" as defined in Rule 501 of Regulation D under the Act and is acquiring the Exchange Shares for investment for Seller's own account and not as a nominee or agent, and not with a view to the resale or distribution of any part thereof.

(b) Seller understands that the Exchange Shares are not registered under the Act on the ground that the sale and the issuance of securities hereunder is exempt from registration under the Act pursuant to Section 4(2) thereof, and that the Company's reliance on such exemption is predicated on such Seller's representations set forth herein.

3.7 Investment Experience. Seller acknowledges that Seller can bear the economic risk of its investment, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment in the Exchange Shares.

3.8 Information. Seller has carefully reviewed such information as Seller deemed necessary to evaluate an investment in the Exchange Shares. To the full satisfaction of Seller, Seller has been furnished all materials that Seller has requested relating to the Company and the issuance of the Exchange Shares hereunder, and Seller has been afforded the opportunity to ask questions of representatives of the Company to obtain any information necessary to verify the accuracy of any representations or information made or given to Seller. Seller understands and agrees that the reports filed by the Company with the Securities and Exchange Commission are not complete and current, and that, accordingly, Seller has not solely relied on such filings in making its investment decision. Seller has had the opportunity to consider the Company's dispositions of its principal bio-pharmaceutical technologies, the Company's new secured loan transactions, and the settlement of outstanding issues with its existing officers. Notwithstanding the foregoing, nothing herein shall derogate from or otherwise modify the representations and warranties of the Company set forth in this Agreement on which the Seller has relied in making an exchange of the LLC Units for the Exchange Shares.

3.9 Restricted Securities. Seller understands and agrees that the Exchange Shares may not be sold, transferred, or otherwise disposed of without registration under the Act or an exemption from such registration requirements, and that in the absence of an effective registration statement covering the Exchange Shares or an available exemption from registration under the Act, the Exchange Shares must be held indefinitely. Seller is aware that the Exchange Shares may not be sold pursuant to Rule 144 promulgated under the Act unless all of the conditions of that Rule are met.

3.10 Jatropha Business Representation. Seller represents and warrants to the Company that Sellers have transferred to Global, and Global now exclusively owns and controls, all of Sellers' right, title and interest in any and all proprietary rights, intellectual property, know-how, business plans, contracts, agreements, understandings, term sheets, business relationships, and any other information relating to the cultivation and production of Jatropha plant seed oil for the purpose of providing feedstock oil intended for the production of methyl ester (bio-diesel), or any information otherwise relating to the Jatropha Business (the "Jatropha Assets").

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Sellers as follows:

4.1 Due Organization and Qualification.

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Utah, with full corporate power and authority to own, lease and operate its business and properties and to carry on its business in the places and in the manner as presently conducted. The Company is in good standing in each jurisdiction in which the properties owned, leased or operated, or the business conducted, by it requires such qualification except where the failure to so qualify is not likely to have a material adverse effect on the business of the Company.

(b) The Company does not own, directly or indirectly, any capital stock, equity or interest in any corporation, firm, partnership, joint venture or other entity, other than its investment in MDI Oncology, Inc., a Delaware corporation ("MDI"). The Company owns all of the issued and outstanding capital stock of MDI.

4.2 Due Authorization. The Company has all requisite power and authority to execute and deliver this Agreement, and to consummate the transactions contemplated hereby and thereby. The Company has taken all corporate action necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be affected by bankruptcy, insolvency, moratoria or other similar laws affecting the enforcement of creditors' rights generally and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

4.3 No Conflicts or Defaults. The execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated hereby do not and shall not (a) contravene any organizational or charter documents of the Company, including, without limitation, the Amended and Restated Articles of Incorporation of the Company, and the Amended Bylaws of the Company, or (b) with or without the giving of notice or the passage of time, (i) violate, conflict with, or result in a breach of, or a default or loss of rights under, any material covenant, agreement, mortgage, indenture, lease, instrument, permit or license to which the Company is a party or by which the Company or any of its assets are bound, or any judgment, order or decree, or any law, rule or regulation to which the Company's assets are subject, (ii) result in the creation of, or give any party the right to create, any Liens upon any of the assets of the Company, (iii) terminate or give any party the right to terminate, amend, abandon or refuse to perform any material agreement, arrangement or commitment to which the Company is a party or by which the Company or any of its assets are bound, or (iv) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which the Company is to perform any duties or obligations or receive any rights or benefits under any material agreement, arrangement or commitment to which it is a party. Except as set forth on Schedule 4.3 hereto, no consent or approval of any third party, or order, authorization, declaration or filing with any Governmental Authority, is required by or with respect to Global in connection with the Exchange or the consummation of the transactions contemplated in this Agreement.

4.4 Capitalization. The authorized capital stock of the Company immediately prior to giving effect to the transactions contemplated hereby consists of 250,000,000 shares of Common Stock, of which 118,755,481 shares of Common Stock are outstanding, and 50,000,000 shares of Preferred Stock, no par value, of which 34,420 shares of Series A Convertible Preferred Stock are outstanding. All of the outstanding shares of capital stock of the Company are, and the Exchange Shares when issued in accordance with the terms hereof will be duly authorized, validly issued, fully paid and nonassessable, and have not been or, with respect to Exchange Shares, will not be issued in violation of preemptive right of shareholders. Except as set forth on Schedule 4.4 hereto, there is no outstanding voting trust agreement or other contract, agreement, arrangement, option, warrant, call, commitment or other right of any character obligating or entitling the Company to issue, sell, redeem or repurchase any of its securities, and there is no outstanding security of any kind convertible into or exchangeable for the capital stock of the Company. Except as set forth on Schedule 4.4 hereto, the Company has not granted any registration rights to any person.

4.5 Compliance with Law. The Company has conducted its business in material compliance with all Applicable Law. The Company has not received any notice of violation or claimed violation of any Applicable Law. The Company has not filed all periodic and other reports that it is required to file with the Securities and Exchange Commission since December 31, 2006.

4.6 Litigation. Except as set forth on Schedule 4.6 hereto, there is no material claim, dispute, action, suit, proceeding or investigation pending or, to the knowledge of the Company, threatened, against the Company, or challenging the validity or propriety of the transactions contemplated by this Agreement, at law or in equity or admiralty or before any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, nor to the knowledge of the Company, has any such claim, dispute, action, suit, proceeding or investigation been pending or threatened, during the twelve month period preceding the date hereof. There is no outstanding judgment, order, writ, ruling, injunction, stipulation or decree of any court, arbitrator or federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, against the Company. The Company has not received any written or verbal inquiry from any federal, state, local, foreign court or any Governmental Authority concerning the possible violation of any Applicable Law.

4.7 Purchase for Investment. The Company is acquiring the LLC Units for investment for its own account and not as a nominee or agent, and not with a view to the resale or distribution of any part thereof. The Company understands that the LLC Units are not and will not be registered under the Act on the ground that the sale and the issuance of securities hereunder is exempt from registration under the Act pursuant to Section 4(2) thereof. The Company is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Act.

4.8 Investment Experience. The Company acknowledges that it can bear the economic risk of its investment, and has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment in the LLC Units.

4.9 Information. The Company has carefully reviewed such information, as the Company deemed necessary to evaluate an investment in the LLC Units. To the full satisfaction of the Company, the Company has been furnished all materials requested relating to Global and the LLC Units, and it has been afforded the opportunity to ask questions of representatives of Global to obtain any information necessary to verify the accuracy of any representations or information made or given to the Company. Notwithstanding the foregoing, nothing herein shall derogate from or otherwise modify the representations and warranties of Sellers set forth in this Agreement on which the Company has relied in making an exchange of the LLC Units for the Exchange Shares.

4.10 Restricted Securities. The Company understands and agrees that the LLC Units may not be sold, transferred, or otherwise disposed of without registration under the Act or an exemption from such registration requirements, and that in the absence of an effective registration statement covering the LLC Units or an available exemption from registration under the Act, the LLC Units must be held indefinitely. The Company is aware that the LLC Units may not be sold pursuant to Rule 144 promulgated under the Act unless all of the conditions of that Rule are met.

4.11 Finder's Fees. The Company is not obligated to pay any person any finder's or broker's fees in connection with the transactions contemplated herein.

4.12 Financial Statements. The Company has provided Seller with copies of the balance sheet of the Company as of September 30, 2006, and the income statements for the period then ended (collectively, the "Company Financial Statements"). The Company Financial Statements present fairly the financial position of the Company as of the dates and for the periods indicated therein. The books of account and other financial records of the Company have been maintained in accordance with good business practices.

4.13 Undisclosed Liabilities. Except as set forth on the attached Schedule 4.13, the Company has no obligation or liability (whether accrued, absolute, contingent, unliquidated or otherwise, whether or not known to the Company, whether due or to become due and regardless of when or by whom asserted, arising out of any transaction entered at or prior to the Effective Date, or any action or inaction at or prior to the Effective Date, or any state of facts existing at or prior to the date hereof, other than (a) liabilities reflected on the Company Financial Statements, or (b) liabilities and obligations which have arisen after the date of the Company Financial Statements in the ordinary course of business.

4.14 Shell Status. The Company is not, and since December 31, 2006 has not been, a shell company within the meaning of Rule 12b-2 under the Securities Exchange Act of 1934.

ARTICLE V
COVENANTS

5.1 Delivery, Release and Cancellation of Restricted Exchange Shares. The 27,405,111 Restricted Exchange Shares will be held by the Company and released to the Sellers, or cancelled, in accordance with Sections 5.2 and 5.3. The Restricted Exchange Shares shall be divided into 13,702,556 "Operational Milestone Shares," and 13,702,555 "Market Capitalization Milestone Shares."

5.2 Operational Milestone Shares. (a) The Parties hereby agree and acknowledge that an aggregate of 13,702,556 shares of the Exchange Shares shall be deemed "Operational Milestone Shares." The stock certificates evidencing all of the Operational Milestone Shares shall be held in the Company in escrow, and shall be released and delivered to the Sellers if and when both of the following conditions have been fully satisfied (collectively, the "Operational Milestones"):

(i) The Company, Global, or any of their respective subsidiaries, shall have executed land lease agreements covering at least two thousand (2,000) hectares of land suitable for the planting and cultivation of *Jatropha Curcas*, which such land shall be located in any geographic area, including, without limitation, Mexico, the Dominican Republic or the State of Texas; and

(ii) The Company, Global, or any of their respective subsidiaries, shall have executed land and operations management agreements with one or more third-party land and operations management companies with respect to the management of at least two thousand (2,000) hectares of land suitable for the planting and cultivation of *Jatropha Curcas*, which such land shall be located in any geographic area, including, without limitation, Mexico, the Dominican Republic or the State of Texas.

(b) In the event that the Operational Milestones have not fully been satisfied by the end of the first anniversary of the Effective Date, then all of the Operational Milestone Shares shall automatically be forfeited and reconveyed to the Company without the necessity for any payment by the Company and shall be cancelled on the Company's share record books, and the Sellers shall immediately and automatically cease to have any ownership right in any and all Operational Milestone Shares.

5.3 Market Capitalization Milestone Shares. (a) The Parties agree that an aggregate of 13,702,555 shares of the Exchange Shares shall be deemed "Market Capitalization Milestone Shares." The stock certificates and stock assignments evidencing the Market Capitalization Milestone Shares shall be held in the Company in escrow, and shall be released and delivered to the Sellers, from time to time, as follows (collectively, the "Market Capitalization Milestones"):

(i) At such time as when (i) the Company's Market Capitalization reaches $6,000,000, and (ii) the average daily trading volume of the Common Stock on the Trading Market reaches or exceeds 75,000 shares of Common Stock for a period of at least 60 consecutive Trading Days, then 4,567,518 shares of the Market Capitalization Milestone Shares shall be released and delivered to the Sellers (pro rata in accordance with their ownership of the Market Capitalization Milestone Shares);

(ii) At such time as when (i) the Company's Market Capitalization reaches $12,000,000, and (ii) the average daily trading volume of the Common Stock on the Trading Market reaches or exceeds 100,000 shares of Common Stock for a period of at least 60 consecutive Trading Days, 4,567,518 shares of the Market Capitalization Milestone Shares shall and be released and delivered to the Sellers (pro rata in accordance with their ownership of the Market Capitalization Milestone Shares); and

(iii) At such time as when (i) the Company's Market Capitalization reaches $20,000,000, and (ii) the average daily trading volume of the Common Stock on the Trading Market reaches or exceeds 125,000 shares of Common Stock for a period of at least 60 consecutive Trading Days, 4,567,519 shares of the Market Capitalization Milestone Shares shall be released and delivered to the Sellers (pro rata in accordance with their ownership of the Market Capitalization Milestone Shares).

For purposes of this Section 5.3, "Market Capitalization" shall mean the product of the (x) the number of shares of Common Stock issued and outstanding at the time Market Capitalization is calculated (including any Market Capitalization Milestone Shares then outstanding notwithstanding that such shares are held in escrow pursuant to this Section 5.3), multiplied by (y) the average closing price of the Common Stock for the 60 consecutive Trading Days prior to the date of calculation of Market Capitalization, as reported on the Trading Market; "Trading Market" shall mean the principal securities trading system on which the Common Stock is then listed or admitted for trading, including the Pink Sheets, the NASDAQ Stock Market, the OTC Bulletin Board, or any other applicable stock exchange; and "Trading Day" shall mean any day on which such Trading Market is open for trading. On any Trading Day in which there are no transactions in the Common Stock, the Common Stock shall be deemed to have been traded at the price and volume of the last previous Trading Day on which there was a transaction.

(b) In the event that one or more of the Market Capitalization Milestones have not been fully satisfied by the end of the second anniversary of the Effective Date hereof, then, at such time, the portion of the Market Capitalization Milestone Shares that have not been distributed to the Sellers shall automatically be forfeited and reconveyed to the Company without the necessity for any payment by the Company and shall be cancelled on the Company's share record books, and the Sellers shall immediately and automatically cease to have any ownership right in such cancelled Market Capitalization Milestone Shares.

5.4 Non-Competition. For the period beginning with the Effective Date hereof and ending five years thereafter (the "Non-Competition Period"), except pursuant to the prior written consent of the Board of Directors of the Company (the "Board"), neither Seller shall, directly or indirectly, either as employer, consultant, advisor, agent, investor, principal, partner, stockholder (except as the holder of less than 1% of the issued and outstanding stock of a publicly held corporation), or in any other individual or representative capacity, engage or participate in any business (i) involving the cultivation or processing of any species of Jatropha plant as a feed stock for the production of fuels, or (ii) that directly competes with the Jatropha Business. Notwithstanding the foregoing, Mobius shall be permitted to provide consulting services to the Company regarding the Jatropha Business, and Palmer shall be permitted to be engaged in the Jatropha Business in his capacity as an executive officer of the Company. Notwithstanding the foregoing, in the event that the Company ceases doing business or files a petition in bankruptcy, or a petition in bankruptcy is filed against the Company which is not dismissed within thirty (30) days after such filing, then the provisions of this Section 5.4 shall immediately terminate.

5.5 Board of Directors. Immediately after consummation of the transactions contemplated hereby, Eric J. Melvin will be appointed as a director to the Board (the "Mobius Director"), to serve consistent with the provisions of the Bylaws and Articles of Incorporation of the Company, as amended and in effect from time to time, until the next annual meeting of the Company's shareholders. The Mobius Director shall be entitled to receive coverage for services rendered to the Company (and its subsidiaries if and when directed by the Board) while the Mobius Director is a director of the Company under any director and officer liability insurance policy(s) maintained by the Company from time to time.

5.6 Tax Treatment of Exchange. If the Sellers request in writing that the Company report the Exchange as a tax-free reorganization under Section 368(A)(1)(b) of the Internal Revenue Code (the "Code"), then at such time, the Sellers shall deliver to the Company legal opinion of Sellers' counsel, satisfactory to the Company, to the effect that the Company may properly, and in compliance with the Code, report the Exchange as a tax-free transaction. The Company makes no representation or warranty as to the applicability or availability of the tax-free reorganization provisions of Section 368(A)(1)(b) of the Code to the Exchange, and the availability of such provisions is not a condition to the consummation of the Exchange or any other transaction contemplated or effected hereby.

5.7 Further Assurances. Each of the Parties shall use its reasonable commercial efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for such party's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions of this Agreement and to consummate the transactions contemplated herein.

5.8 Form D Filing. Company agrees to file a true and correct Form D with the SEC relating to the Exchange Shares within 15 calendar days after the Effective Date.

5.9 Financial Statements. Promptly following the Effective Date, the Company shall engage an independent certified public accounting firm designated by the Company (the "Firm") to audit Global's books and records at the Company's sole cost and expense, the Sellers shall provide the Firm access to all of Mobius' and Global's books and records as may be reasonably necessary so that the Firm can produce within 30 days after being engaged, an audited balance sheet as of the Effective Date and income statement for the period then ended as of the Effective Date, which audited statements shall be in a form required for filing with the SEC.

ARTICLE VI
DELIVERABLES

6.1 Items delivered to Sellers by the Company.

(a) Officers' Certificate, certifying the Company's minutes and resolutions of Board in respect of the Exchange;

(b) Services Agreement between the Company and Mobius, duly executed by the Company;

(c) Employment Agreement between Palmer and the Company, duly executed by the Company; and

(d) Stock certificates representing the Exchange Shares issued to Sellers.

6.2 Items delivered to the Company by Sellers.

(a) Third Amended and Restated Limited Liability Company Agreement of Global;

(b) Irrevocable Membership Interest Powers executed by Palmer and Mobius;

(c) Services Agreement between the Company and Mobius, duly executed by Mobius;

(d) Employment Agreement between Palmer and the Company, duly executed by Palmer; and

(e) Any other document reasonably requested by the Company that it deems necessary for the consummation of the transactions contemplated hereby.

ARTICLE VII
INDEMNIFICATION

7.1 Indemnity of the Company. The Company agrees to defend, indemnify and hold harmless Sellers from and against, and to reimburse Sellers with respect to, all liabilities, losses, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements (collectively the "Losses") asserted against or incurred by Sellers by reason of, arising out of, or in connection with any breach of any representation, warranty or covenant contained in this Agreement made by the Company or in any document or certificate delivered by the Company pursuant to the provisions of this Agreement or in connection with the transactions contemplated thereby.

7.2 Indemnity of Seller. Each Seller, as to itself or himself, but not as to the other Seller, agrees to defend, indemnify and hold harmless the Company from and against, and to reimburse the Company with respect to, all Losses asserted against or incurred by the Company by reason of, arising out of, or in connection with any breach of any representation, warranty or covenant contained in this Agreement and made by such Seller or in any document or certificate delivered by Seller pursuant to the provisions of this Agreement or in connection with the transactions contemplated thereby.

7.3 Indemnification Procedure. A party (an "Indemnified Party") seeking indemnification shall give prompt notice to the other party (the "Indemnifying Party") of any claim for indemnification arising under this Article VIII. The Indemnifying Party shall have the right to assume and to control the defense of any such claim with counsel reasonably acceptable to such Indemnified Party, at the Indemnifying Party's own cost and expense, including the cost and expense of reasonable attorneys' fees and disbursements in connection with such defense, in which event the Indemnifying Party shall not be obligated to pay the fees and disbursements of separate counsel for such Indemnified Party in such action. In the event, however, that such Indemnified Party's legal counsel shall determine that defenses may be available to such Indemnified Party that are different from or in addition to those available to the Indemnifying Party, or that there could reasonably be expected to be a conflict of interest if such Indemnifying Party and the Indemnified Party have common counsel in any such proceeding, or if the Indemnifying Party has not assumed the defense of the action or proceedings, then such Indemnified Party may employ separate counsel to represent or defend such Indemnified Party, and the Indemnifying Party shall pay the reasonable fees and disbursements of counsel for such Indemnified Party. No settlement of any such claim or payment in connection with any such settlement shall be made without the prior consent of the Indemnifying Party which consent shall not be unreasonably withheld.

ARTICLE VIII
MISCELLANEOUS

8.1 Survival of Representations, Warranties and Agreements. All representations and warranties and statements made by a party to in this Agreement or in any document or certificate delivered pursuant hereto shall survive the Effective Date for the period of two years. Each of the Parties hereto is executing and carrying out the provisions of this agreement in reliance upon the representations, warranties and covenants and agreements contained in this agreement or at the closing of the transactions herein provided for and not upon any investigation which it might have made or any representations, warranty, agreement, promise or information, written or oral, made by the other Party or any other person other than as specifically set forth herein.

8.2 Confidentiality of Books and Records. During the course of this transaction through the Effective Date, the Company has made available to the Sellers for their inspection certain corporate books, records and assets, and otherwise has afforded to the Sellers and their respective representatives, access to all documentation and other information concerning the business, financial and legal conditions of the Company for the purpose of conducting a due diligence investigation thereof. The Sellers agree to keep confidential and not use for their own benefit, except in accordance with this Agreement, any information or documentation obtained in connection with any such investigation.

8.3 Further Assurances. If, at any time after the Effective Date, the Parties shall consider or be advised that any further deeds, assignments or assurances in law or that any other things are necessary, desirable or proper to complete the merger in accordance with the terms of this agreement or to vest, perfect or confirm, of record or otherwise, the title to any property or rights of the parties hereto, the Parties agree that their proper officers and directors shall execute and deliver all such proper deeds, assignments and assurances in law and do all things necessary, desirable or proper to vest, perfect or confirm title to such property or rights and otherwise to carry out the purpose of this Agreement, and that the proper officers and directors the parties are fully authorized to take any and all such action.

8.4 Notice. All communications, notices, requests, consents or demands given or required under this Agreement shall be in writing and shall be deemed to have been duly given when delivered to, or received by prepaid registered or certified mail or recognized overnight courier addressed to, or upon receipt of a facsimile sent to, the party for whom intended, as follows, or to such other address or facsimile number as may be furnished by such party by notice in the manner provided herein:

Attention:

If to Sellers:
Mobius Risk Group, LLC
Three Riverway, Suite 1700
Houston, TX 77056
Attn: Eric J. Melvin, CEO
Telecopy No.: (713) 877-0403

With a copy to:
Randolph Ewing, Esq.
Franklin, Cardwell & Jones, P.C.
1001 McKinney, 18th Floor
Houston, Texas 77002
Telecopy No.: (713) 227-5657

Richard Palmer
Mobius Risk Group, LLC
3806 Newton Street
Torrance, California 90505
Telecopy No.: (310) 378-7620

With a copy to:
Eileen Darroll, Esq.
Palmer Darroll Law Offices
2940 Westwood Blvd, 2nd Floor
Los Angeles, CA 90064
Tele:310-474-2193
Fax: 310-474-5151

If to the Company:
Medical Discoveries, Inc.
c/o Sunhaven Farms
30103 West Gwinn Road
Prosser, WA 99350
Attention: David R. Walker, Chairman

With a copy to:
Troy & Gould
1801 Century Park East, 16th Floor
Los Angeles, California 90067
Attention: Istvan Benko, Esq.
Telecopy No.: (310) 789-1490

8.5 Entire Agreement. This Agreement, the Schedules hereto and any instruments and agreements to be executed pursuant to this Agreement, set forth the entire understanding of the parties hereto with respect to its subject matter, merge and supersede all prior and contemporaneous understandings with respect to its subject matter.

8.6 Amendments and Waivers. No amendment, in whole or in part, of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties hereto. No waiver of any provision of this Agreement in any instance shall be deemed to be a waiver of the same or any other provision in any other instance. Failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of its rights under such provision.

8.7 Successors and Assigns. This Agreement shall be binding upon, enforceable against and inure to the benefit of, the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns, and nothing herein is intended to confer any right, remedy or benefit upon any other person. This Agreement may not be assigned by any party hereto except with the prior written consent of the other parties, which consent shall not be unreasonably withheld.

8.8 Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California without giving effect to conflicts of law principles.

8.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.10 Construction. Headings contained in this Agreement are for convenience only and shall not be used in the interpretation of this Agreement. References herein to Articles, Sections and Exhibits are to the articles, sections and exhibits, respectively, of this Agreement. The Schedules are hereby incorporated herein by reference and made a part of this Agreement. As used herein, the singular includes the plural, and the masculine, feminine and neuter gender each includes the others where the context so indicates.

8.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, this Agreement shall be interpreted and enforceable as if such provision were severed or limited, but only to the extent necessary to render such provision and this Agreement enforceable and to carry out the intentions of the parties.

8.12 Expenses. Except as otherwise expressly provided in this Agreement, all legal, accounting, auditing, communications, due diligence and other fees, costs and other expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such fees, costs and expenses.

8.13 Announcements. Unless both the Company and Sellers agree in writing or as otherwise provided in this Section 8.13, neither the Company nor Sellers shall make a public announcement or disclosure regarding the this Agreement or the transactions contemplated hereby. Any public announcement shall be made upon the mutual agreement and written consent of the Parties; provided, however, that if any Party is required under federal securities law to either (i) file any document with the Securities and Exchange Commission that discloses the transactions contemplated hereby, or (ii) to make a public announcement regarding the transactions contemplated hereby, the disclosing Party shall provide the other Party with a copy of the proposed disclosure no less than 48 hours before such disclosure is made and shall incorporate into such disclosure any reasonable comments or changes that the other Party may request.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first set forth above.

MEDICAL DISCOVERIES, INC.,
a Utah corporation

By: _____

David R. Walker
Chairman of the Board

SELLERS:

MOBIUS RISK GROUP, LLC, a Texas limited liability company

By: _____

Eric J. Melvin
Chief Executive Officer

_____

RICHARD PALMER

Exhibit 10.1

LOAN AND SECURITY AGREEMENT

By and Between

MERCATOR MOMENTUM FUND III, LP

As Lender

And

MEDICAL DISCOVERIES, INC.,

As Borrower

Dated as of September 7, 2007

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT is made as of September 7, 2007 (the "**Loan Agreement**"), by and Mercator Momentum Fund III, LP, a California limited partnership (together with each of its successors, assigns and designees, the "**Lender**"), as lender, and MEDICAL DISCOVERIES, INC., a Utah corporation ("**Borrower**"), as borrower, with reference to the following facts and circumstances:

RECITALS

A. Borrower desires that Lender make available to Borrower a secured term credit facility (the "**Loan**") in the amount of One Million Dollars ($1,000,000) (the "**Loan Amount**").

B. The Loan shall be evidenced by, among other things, secured promissory notes, in the form of Exhibit A attached hereto, in the aggregate principal amount not to exceed One Million Dollars ($1,000,000) and executed by Borrower in favor of Lender (together with all renewals, rearrangements, replacements, modifications, substitutions, and extensions thereof, each, a "**Note**" and, collectively, the "**Notes**").

C. Borrower may draw on the Loan at such times as specified in the draw-down schedule attached hereto as Exhibit C in accordance with that certain letter agreement entitled the Permitted Payments by Medical Discoveries, Inc., dated of even date herewith (the "**Letter Agreement**") attached hereto as Exhibit B among Lender, Borrower and the Emmes Group Consulting LLC, a California limited liability company (the "**Advisors**").

D. As a condition precedent to making the Loan to Borrower, Lender requires, among other things, that Borrower grant to Lender a first priority fully perfected security interest in the Collateral (as defined in Section 6) of Borrower.

E. Lender has agreed to advance the Loan Amount to Borrower, and Borrower has agreed to borrow the Loan Amount from Lender, on the terms and conditions contained in this Loan Agreement, the Note and the Letter Agreement (collectively, the "**Loan Documents**").

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

Section 1. The Loan.

1.1 Agreement to Lend. In reliance upon the representations and warranties contained herein and subject to compliance by Borrower with the terms and conditions of this Loan Agreement, Lender hereby agrees to loan to Borrower an amount not to exceed the Loan Amount, evidenced by the Notes, on the terms and conditions set forth herein.

1.2 Interest on the Principal Indebtedness. Interest on the outstanding principal indebtedness of the Loan shall accrue at the rate and be payable in the manner and at the times set forth in the Notes.

1.3 Manner of Payment. All payments hereunder or any other Loan Document shall be made in accordance with the provisions hereof or thereof without setoff or counterclaim as against the Lender, in lawful money of the United States of America, free and clear of and without deduction for any taxes, fees or other charges of any nature whatsoever imposed by any taxing authority.

1.4 Consideration for Loan. Lender and two affiliated investment funds currently own warrants to purchase the following number of shares of Common Stock: (i) Lender owns warrants to purchase 9,360,701 shares of Common Stock; (ii) Mercator Momentum Fund, L.P. owns warrants to purchase up to 13,516,777 shares of Common Stock; and (iii) Monarch Pointe Fund, Ltd. owns warrants to purchase up to 4,575,495 shares of Common Stock (the foregoing warrants are herein collectively referred to as the "Outstanding Warrants"). Each of the Outstanding Warrants has an exercise price of $0.1967 per share. In consideration for agreeing to make the Loan and for the other agreements made by Lender hereunder, Borrower and Lender agree that, concurrently with the execution of this Agreement and the funding of the first $250,000 advance under the Loan, (a) all of the Outstanding Warrants are being returned to Borrower and cancelled by Borrower, and (b) Borrower is issuing to the holders of the Outstanding Warrants new warrants (the "New Warrants") to purchase the same number of shares as the Outstanding Warrants. The New Warrants have an exercise price of $0.01 per share, permit the holder to exercise the New Warrants on a "cash-less" exercise basis, and have an expiration date of September 30, 2013. The form of the New Warrants is attached hereto as Exhibit D.

Section 2. Disbursement of Loan Proceeds.

2.1 Funding of Disbursement. Upon the fulfillment of all the conditions set forth in this Section 2 to the disbursement of the proceeds of the Loan, or the waiver of any such conditions in writing, and the delivery of an executed Borrowing Certificate (as defined in and pursuant to the terms of the Letter Agreement) and executed Note in conformity with the draw-down limit amounts set forth in Exhibit B, Lender shall make disbursements to or at the direction of Borrower up to the Loan Amount.

2.2 Conditions Precedent to Disbursement of Loan Proceeds. The obligation of Lender to disburse to Borrower the proceeds of the Loan pursuant to the terms hereof shall be subject to the fulfillment of the following conditions precedent:

(a) The representations and warranties contained in Section 3 of this Agreement or otherwise made on behalf of Borrower in connection with the Loan shall be true and correct in all material respects.

(b) A Note, duly executed and delivered by Borrower;

(c) A Borrowing Certificate, duly executed and delivered by Borrower, and approved in accordance with the Letter Agreement;

(d) One or more UCC-1 Financing Statements covering the Collateral duly executed by Borrower, and the assignment and delivery of such Collateral as Lender may reasonably request; and

(e) Such other documents, instruments and assurances as Lender may request in its reasonable discretion in order to effect fully the purposes of this Loan Agreement.

(f) Trading in Borrower's common stock (the "**Common Stock**") shall not have been suspended by the Securities and Exchange Commission (the "**Commission**"), the Common Stock shall be listed for trading on a public securities trading system or exchange, including the Pink Sheets, the Over-the-Counter Bulletin Board (the "**OTCBB**"), the Nasdaq Capital Market, the Nasdaq Global Market, or any exchange.

(g) The warrants issued in 2004 to the purchasers of Borrower's currently issued and outstanding shares of Series A Convertible Preferred Stock Offering (the "**2004 PIPE Investors**") shall have received from Borrower duly executed amended warrants to purchase shares of Common Stock, which amended warrants lower the exercise price to $0.01 per share and extend the expiration date to September 30, 2013.

(h) Lender shall have received from Borrower (i) a copy of the executed certain Share Exchange Agreement between Borrower, Richard Palmer, and Mobius Risk Group LLC, regarding the purchase by Borrower of all of the outstanding equity interests of Global Clean Energy Holdings, LLC, a Delaware limited liability company ("**Global**"), (ii) written confirmation that the transactions contemplated by the Share Exchange Agreement have been consummated, (iii) written confirmation that Borrower has commenced a financial audit by its certified public accountant for the fiscal year ended December 31, 2006 and the preparation of Borrower's financial statements for the fiscal year ended December 31, 2006 in accordance with general accepted accounting principles ("**GAAP**"), and (iv) written confirmation that Borrower has commenced the preparation of the delinquent annual and quarterly reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), including pursuant to Sections 13(a) or 15(d) of the Exchange Act (the "**SEC Reports**").

Section 3. Representations and Warranties of Borrower. As an inducement to the Lender to enter into the Loan Documents and to make the Loan as provided herein, Borrower represents and warrants to the Lender that as of the Closing Date, each of the following representations and warranties shall be true and correct in all material respects:

3.1 Due Authorization; Organizational Documents.

(a) Borrower (i) is a corporation duly formed, validly existing, in good standing and qualified to do business under the laws of the State of Utah, and is duly qualified and in good standing in each jurisdiction in which the character of its business makes such qualification necessary, or, if not so qualified, the failure to so qualify will not have a materially adverse effect upon its financial condition, operation or business (a "**Material Adverse Effect**"); (ii) Borrower has the requisite corporate power and authority to own its properties and to carry on its businesses as now conducted; and (iii) Borrower has the requisite corporate power and authority to make and carry out this Loan Agreement, and each of the Loan Documents.

(b) True, correct and complete copies of the organizational documents of Borrower, including any and all amendments thereto, have been delivered by Borrower to Lender.

3.2 Loan Agreement, Note and Loan Documents Authorized. The execution, delivery and performance of the Loan Documents by Borrower, are duly authorized and do not require the consent or approval of any governmental body or other regulatory authority; are not in contravention of or conflict with any law or regulation or any term or provision of its organizational documents; and the Loan Documents are valid and binding obligations of Borrower enforceable in accordance with their terms.

3.3 Collateral.

(a) Borrower is the sole owner of its rights in the Collateral, free and clear of any liens and is fully authorized to grant the Security Interest in and to pledge the Collateral. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement or transfer or any notice of any of the foregoing covering or affecting any of the Collateral. So long as this Loan Agreement and Note shall be in effect, Borrower shall not execute and shall not authorize the filing of in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of Lender pursuant to the terms of this Loan Agreement) without the prior written consent of Lender.

(b) Borrower represents and warrants that it has no place of business or offices where its respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where the Collateral is stored or located, other than at its offices at (i) 1388 South Foothill Drive, #266 Salt Lake City, Utah 84108 and (ii) 30103 West Gwinn Road Prosser, Washington 99350.

(c) Borrower shall at all times maintain its books of account and records relating to the Collateral at its principal place of business in Utah and may not relocate such books of account and records unless it delivers to Lender at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of each of Lender a valid, perfected and continuing first priority lien in the Collateral.

(d) Borrower has no knowledge of any claim that any of the Collateral or Borrower's use of any Collateral violates the rights of any third party. There has been no adverse decision of which Borrower is aware as to Borrower's exclusive (or nonexclusive, as the case may be) rights to use the Collateral in any jurisdiction, and, to the knowledge of Borrower there is no proceeding involving said rights pending or threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) This Loan Agreement creates in favor of the Lender a valid security interest in the Collateral, securing the payment and satisfaction of the Obligations (as defined in Section 6), and, upon making all applicable filings**,** a perfected first priority security interest in the Collateral. No authorization or approval of or filing (other than the filings referred to in the immediately preceding sentence) with or notice to any governmental authority or regulatory body is required either: (i) for the grant by Borrower of, or the effectiveness of, the Security Interest granted hereby or for the execution, delivery and performance of this Loan Agreement by Borrower or (ii) for the perfection of or exercise by Lender of its rights and remedies hereunder.

(f) On the date of execution of this Loan Agreement, Borrower authorizes each Lender to file one or more financing statements under the UCC with respect to the Security Interest for filing in the States of Utah, Washington and Texas, and in such other jurisdictions as Lender deem necessary.

(g) Borrower shall at all times maintain the Security Interest provided for hereunder as a valid and perfected first priority security interest in the Collateral in favor of Lender and insure that such Security Interest remains senior to all existing and hereafter created security interests and liens. Borrower shall safeguard and protect all Collateral. Borrower hereby agrees to defend the same against any and all persons.

(h) Borrower will not sell, transfer, lease or otherwise dispose of any of the Collateral without the prior written consent of Lender. Notwithstanding the foregoing, Lender here authorize Borrower to complete the sale of its rights to that certain topical aromatase inhibitor cream that is has agreed to sell Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH, an Austrian company, pursuant to the July 6, 2007 Sale and Asset Purchase Agreement (the "**Eucodis Sale**").

(i) Borrower shall keep and preserve the tangible Collateral in good condition, repair and order, and shall not knowingly operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage unless, in each case, where the failure to comply with the foregoing provisions does not result in an adverse effect on the value of the Collateral or on Lender's security interest therein.

(j) Borrower shall, within 10 days of obtaining knowledge thereof, advise Lender, in sufficient detail, of any substantial change in all or any material portion of the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on Lender's security interest therein.

(k) Borrower shall permit Lender and its representatives and agents upon prior written consent to inspect the Collateral at any time during normal business hours, and to make copies of records pertaining to any material item of Collateral as may be reasonably requested by Lender from time to time.

(l) Borrower shall promptly notify Lender in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by Borrower that reasonably would be expected to have an adverse effect on the value of the Collateral, the Security Interest or the rights and remedies of Lender hereunder.

(m) Borrower shall not use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral where violation is reasonably likely to have a material adverse effect on Lender's rights in the Collateral or Lender's ability to foreclose on the Collateral.

(n) Borrower shall not grant to any person or entity any rights or interest in or to any of the Collateral.

3.4 Change in Name. Borrower shall notify Lender of any change in Borrower's name or identity within 30 days of such change.

3.5 No Conflict. The execution, delivery and performance of the Loan Documents will not breach or constitute a default under any agreement, indenture, undertaking or other instrument to which Borrower is a party or by which it or any of its properties may be bound or affected, and, other than in favor of Lender, such execution, delivery and performance will not result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its properties pursuant to any of the foregoing.

3.6 No Litigation. Except as disclosed to Lender in writing, there is no litigation or other proceedings pending or, to the knowledge of Borrower, threatened against or affecting it, or its properties or the Collateral and Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority.

3.7 Consents. Except for the filing of the UCC-1 Financing Statements, no consents, approvals, filings, permits or notices of, from, with or to any person or entity are required on the part of Borrower in connection with the execution of this Loan Agreement or any of the transactions contemplated hereby that have not been duly obtained, made or given, as the case may be.

3.8 Solvency. None of the transactions contemplated hereby or by any other Loan Document will be or have been made with an actual intent to hinder, delay or defraud any present or future creditors of Borrower. After giving effect to the transactions contemplated hereby and by each of the Loan Documents, Borrower will not be left with an unreasonably small capital for the business or transactions in which it is engaged or about to be engaged.

3.9 No Bankruptcy Filing. Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of its assets or property, and Borrower has no knowledge of any person or entity contemplating the filing of any such petition against it.

3.10 Tax Filing. Borrower has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower, if any. Borrower believes that its tax returns properly reflect the income and credits and losses of Borrower for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

3.11 Defenses. The Loan Documents are not subject to any valid right of rescission, setoff, abatement, diminution, counterclaim or defense as against the Lender and its successors and assigns in interest, including the defense of usury, and the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, will not render the Loan unenforceable, in whole or in part, or subject to any right of rescission, setoff, abatement, diminution, counterclaim or defense, including the defense of usury, and Borrower has not taken any action which would give rise to the assertion of any of the foregoing and no such right of rescission, setoff, abatement, diminution, counterclaim or defense, including the defense of usury, has been asserted with respect thereto.

3.12 Enforceability. The Loan Documents executed by Borrower have been duly and validly authorized, executed and delivered by Borrower, and are valid, legal, binding and enforceable obligations of Borrower, subject as to enforcement to bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditor's rights and to general principles of equity limiting the availability of equitable remedies, to the extent the effect of such laws and principles are not waivable under law or in equity.

3.13 ERISA.

(a) Borrower is not an employee benefit plan subject to Title IV of the Employee Retirement Income Security Act of 1974 (as amended from time to time, "ERISA");

(b) Neither Borrower nor any ERISA Affiliate (as hereinafter defined) of Borrower maintains, sponsors, contributes to or is obligated to contribute to, or during the 5 years ending on the date of the execution and delivery of this Loan Agreement has maintained, sponsored, contributed to or was obligated to contribute to, any employee pension benefit plan (as defined in Section 3(2) of ERISA) (a "**Plan**") which is subject to Title IV of ERISA or section 302 of ERISA or section 412 of the Internal Revenue Code of 1986, as amended (the "**Code**"). "**ERISA Affiliate**" means Borrower and all other entities (whether or not incorporated) which, together with Borrower, would be treated as a single employer under any or all of Sections 414(b), (c) or (m) of the Code; and

(c) No employee welfare benefit plan (as defined in Section 3(1) of ERISA ("**Welfare Plan**")) which Borrower or any ERISA Affiliate maintains, sponsors, contributes to or is obligated to contribute to, provides benefits, including, without limitation, death or medical benefits (whether or not insured), with respect to any current or former employee of Borrower beyond their retirement or other termination of service other than (a) coverage mandated by applicable law, (b) retirement or death benefits under any Plan or (c) disability benefits under any Welfare Plan that have been fully provided for by insurance or otherwise.

3.14 Investment Company. Borrower is not now required and will not be required to register under the Investment Company Act of 1940, as amended.

3.15 Financial Information. The historical financial data concerning Borrower that has been delivered by Borrower to the Lender, consisting of the unaudited, internally prepared balance sheet and income statement for the period ending September 30, 2006, is true, complete and correct in all material respects and fairly presents the financial condition of the persons or entities covered thereby as of the date of such reports. Since the delivery of such data, except as otherwise disclosed in writing to the Lender, there has been no material adverse change in the assets, liabilities or financial position of Borrower or in the results of operations of Borrower. Borrower has not incurred any obligation or liability, contingent or otherwise, not reflected in such financial data which could reasonably be expected to cause a Material Adverse Effect.

3.16 Use of Funds. The Loan Amount is to be used by Borrower as set forth on that certain Use of Proceeds Plan, attached hereto as Schedule 3.16, and for no other purpose.

Section 4. Affirmative Covenants. Borrower hereby covenants and agrees that, so long as any portion of the Loan Amount remains unpaid or any other amount is owing to the Lender under any of the Loan Documents:

4.1 Maintenance of Existence and Properties. Borrower shall preserve and maintain its existence and all rights, privileges and franchises necessary in the normal conduct of its business, except those rights, privileges and franchises the failure of which to maintain will not result in a Material Adverse Effect, and keep the property that is useful or necessary in its business in good working order and condition, and from time to time make or cause to be made all needed repairs, renewals and replacements thereto. Borrower shall at all times comply in all material respects with, and shall cause Borrower's properties to comply in all material respects with applicable law.

4.2 SEC Reports; Financial Statements. Borrower will file all delinquent SEC Reports by October 31, 2007. Borrower will file all other SEC Reports on a timely basis or will timely file a valid extension of such time of filing and will file any such SEC Reports prior to the expiration of any such extension. All of the financial statements included in the delinquent SEC Reports and any registration statement will be prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, and will fairly present in all material respects the financial position of Borrower as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

4.3 Registration Statement. Within 30 days after filing all delinquent SEC Reports, Borrower will file a post-effective amendment Registration Statement on Form SB-2 (Registration No. 0333-121635) that registers for the resale certain shares of Common Stock issuable upon conversion of the Series A Convertible Preferred Stock (the "**Registrable Securities**") on a continuous basis pursuant to Rule 415 (the "**Registration Statement**"), and after such post-effective amendment has been declared effective, will until the earlier of (i) the date that all of the Registrable Securities have been sold, or (ii) the date that Borrower receives an opinion of counsel to Borrower that all of the Registrable Securities may be freely traded without registration under the Securities Act, under Rule 144 promulgated under the Securities Act or otherwise, shall amend the Registration Statement or supplement the prospectus to the Registration Statement, as may be required, to cause the Registration Statement to include sufficient Registrable Securities.

4.4 Proxy Statement; Amendment of Articles of Incorporation. By no later than October 30, 2007, Borrower shall prepare and mail to the shareholders of Borrower proxy materials or other applicable materials requesting authorization to amend Borrower's articles of incorporation or other organizational document to increase the number of shares of Common Stock which Borrower is authorized to issue to 350,000,000 shares of Common Stock in order to have available a sufficient number of authorized but unissued shares of Common Stock to comply with its obligations to issue shares of Common Stock upon the conversion of the outstanding shares of Series A Convertible Preferred Stock and upon the exercise of the Warrants owned by the 2004 PIPE Investors. In connection therewith, Borrower's board of directors shall (a) adopt proper resolutions authorizing such increase, (b) recommend to and otherwise use its best efforts to promptly and duly obtain shareholder approval to carry out such resolutions (and hold a special meeting of the shareholders as soon as practicable, but in any event not later than the 60th day after delivery of the proxy or other applicable materials relating to such meeting) and (c) within five business days of obtaining such shareholder authorization, file an appropriate amendment to Borrower's articles of incorporation or other organizational document to evidence such increase.

4.5 OTCBB. Within 10 business days after Borrower has filed all delinquent SEC Reports, Borrower will apply to be quoted on the OTCBB, and after such listing is granted, will comply with all rules of, and satisfy all requirements to maintain quotation on, the OTCBB.

4.6 Inspection of Financial Records; Discussions. Borrower shall (i) keep proper books of records and accounts in which full, true and correct entries in conformity with GAAP or as otherwise required under any Loan Document and under all applicable law shall be made of all dealings and transactions in relation to its business and activities, and (ii) upon reasonable notice to permit representatives of the Lender and its agents and regulatory authorities to examine and make copies of, or abstracts from, any of its financial records at any reasonable time during normal business hours and as often as may reasonably be desired by the Lender and to discuss the business, operations, properties and financial and other conditions of Borrower with officers of Borrower and with its independent certified public accountants. After the occurrence and during the continuance of an Event of Default, Borrower shall pay any reasonable costs and expenses incurred by the Lender to examine Borrower's accounting records, as the Lender shall reasonably determine to be necessary or appropriate in the protection of the Lender's interest.

4.7 Notices. Promptly upon becoming aware thereof, Borrower shall give written notice to the Lender of (i) any claims, proceedings or disputes (whether or not purportedly on behalf of Borrower) against, or to Borrower's knowledge, threatened or affecting Borrower which, if adversely determined, could reasonably be expected to have a Material Adverse Effect or which involve in the aggregate monetary amounts in excess of $50,000, (ii) the occurrence of any Event of Default hereunder, or (iii) any Material Adverse Effect. If requested by the Lender, Borrower shall deliver an Officer's Certificate of Borrower specifying the nature and details of any of the foregoing matters and the actions taken and proposed to be taken by Borrower in response thereto.

4.8 Expenses. Borrower shall pay, indemnify and save harmless the Lender with respect to all taxes (other than income or franchise taxes or taxes caused by actions or elections of the Lender) and all reasonable out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel and special local counsel) incident to enforcement and administration of the Loan Documents and the negotiation and preparation of any amendments, waivers and renewals relating to any thereof and the protection of the rights of the Lender under the Loan Documents whether by judicial proceedings or otherwise, including, without limitation, in connection with bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceedings involving Borrower or a "workout" of the Loan. The Loan shall not be considered to have been paid in full unless all obligations under this Section 4.8 shall have been fully performed (except for contingent indemnification obligations for which no claim has actually been made). Reasonable expenses incurred by Lender in connection with considering any request by Borrower for approval, modification or waiver shall be paid or reimbursed to Lender by Borrower regardless of whether approved by Lender.

4.9 Loan Documents. Borrower shall comply with and observe all terms and conditions of the Loan Documents.

4.10 Taxes. Borrower shall promptly pay or cause to be paid all lawful taxes and governmental charges or levies imposed upon Borrower or upon any property, either real, personal or mixed, except for those which are immaterial in amount or are being contested in good faith by appropriate proceedings and as to which contested charges or levies Borrower has notified the Lender and as to which, if required by the Lender in its reasonable discretion, Borrower has posted good and sufficient security without recourse to the Collateral.

4.11 Qualification to do Business. Borrower will continue to be in good standing and qualified to do business in Utah and in each jurisdiction where it is required to be qualified in order to conduct its business, except where failure to be so qualified would not have a Material Adverse Effect.

4.12 ERISA. Borrower shall comply with any applicable provisions of ERISA, the noncompliance with which would have a Material Adverse Effect, and not be an "employee benefit plan" as defined in ERISA or a "plan" as defined in Section 4975 of the Code, nor will Borrower hold "plan assets" as that term is defined in the Regulation issued by the United States Department of Labor at 29 C.F.R. 2510.3-101.

4.13 Further Assurances. Borrower shall at Borrower's sole cost and expense:

(a) furnish to the Lender all instruments, documents, certificates, and agreements required to be furnished pursuant to the terms of the Loan Documents or reasonably requested by the Lender in connection therewith;

(b) execute and deliver to the Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the Collateral at any time securing or intended to secure the Note, as the Lender may reasonably require; and

(c) do and execute all and such further lawful and reasonable acts, documents, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Loan Agreement and the other Loan Documents, as the Lender shall reasonably require from time to time including, without limitation, timely filing or refiling continuations and any assignments of any UCC-1 Financing Statements in the appropriate filing offices.

Section 5. Negative Covenants. Borrower hereby agrees that, so long as the Loan remains unpaid, Borrower has any Obligation to Lender or any other amount is owing to the Lender under any of the Loan Documents, Borrower shall not, without Lender's written consent, directly or indirectly:

5.1 Pay declare or set apart for such payment, any dividend or other distribution;

5.2 Redeem, repurchase or otherwise acquire capital stock of Borrower;

5.3 Create, incur, assume or suffer to exist any liability for borrowed money (other than trade creditors in the ordinary course of business);

5.4 Lend money, give credit or make advances to any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of Borrower (except for in the ordinary course of business);

5.5 Assume, guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection;

5.6 Use any of the proceeds received form this Loan Agreement in a manner other than as set forth in the Use of Proceeds Plan or to repay debt obligations owed to current or former officers, directors, employees, or shareholders of Borrower (except that Borrower may pay Dave Walker his accrued directors' fee of $30,000 and $90,000 of accrued fees of Advisors, the consulting company affiliated with Martin Schroeder);

5.7 Liquidate or dissolve or enter into any consolidation, merger, partnership, joint venture, syndicate or other combination;

5.8 Purchase, acquire or lease any property from, or sell, transfer or lease any property to, or lend or advance any money to, or borrow any money from, or guarantee any obligation of, or acquire any stock, obligations or securities of, or enter into any merger or consolidation agreement, or any management or similar agreement with, any affiliate of Borrower, or enter into any other transaction or arrangement or make any payment to (including, without limitation, on account of any management fees, service fees, office charges, consulting fees, technical services charges or tax sharing charges) or otherwise deal with, in the ordinary course of business or otherwise, any affiliate of Borrower;

5.9 Without the consent of Lender, conduct any business activity that would violate any of the provisions of Borrower's organizational documents, or amend Borrower's organizational documents in a manner which would cause any representation set forth in the Loan Agreement to become untrue; or

5.10 Change its fiscal year.

Section 6. Security Agreement. As security for the payment or performance, as the case may be, in full of the Obligations (as defined herein), Borrower hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to Lender, its successors and assigns, and hereby grants to Lender, its successors and assigns, a security interest in and lien on (the **"Security Interest"**), all of Borrower's right, title and interest in, to and under the Collateral (as defined herein). As used herein, the term "**Obligations**" shall mean and refer to (a) the due and punctual payment by Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether such interest is allowed or allowable as a claim in such proceeding) on the Loan, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether such monetary obligations are allowed or allowable as a claim in such proceeding), of Borrower to the Lender under the Loan Documents, and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of Borrower under or pursuant to the Loan Documents. As used herein, the term "**Collateral**" shall mean and refer to Borrower's right, title and interest in, to and under all of the following (a) accounts, (b) chattel paper, (c) documents, (d) equipment, (e) general intangibles, (f) goods, (g) instruments, (h) insurance relating to the Collateral, (i) intellectual property (including all inventions, designs, patents, copyrights and trademarks), (j) inventory, (k) other goods and other personal property of Borrower, whether tangible or intangible, (l) records, and (m) proceeds, products, substitutions, accessions, rents and profits of or in respect of any of the foregoing, in each case as defined under the Uniform Commercial Code, as in effect in any relevant jurisdiction (the "**UCC**"), and whether now owned or hereafter created or acquired and wherever located.

6.1 Duty To Hold In Trust. Upon the occurrence and during the continuation of any Event of Default, Borrower shall, upon receipt by it of any revenue, income or other sums subject to the Security Interest, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for Lender and shall upon request by Lender forthwith endorse and transfer any such sums or instruments, or both, to Lender for application to the satisfaction of the Obligations.

6.2 Rights and Remedies Upon Default. Upon the occurrence and during the continuation of any Event of Default, Lender shall have the right to exercise all of the remedies conferred hereunder and under the Notes, and Lender shall have all the rights and remedies of a secured party under the UCC. Without limitation, Lender shall have the following rights and powers upon and during the continuance of an Event of Default:

(a) Lender shall have the right to take possession of all tangible manifestations or embodiments of the Collateral and, for that purpose, without breaching the peace enter, with the aid and assistance of any person previously identified to, and approved in writing by, Borrower, any premises where the Collateral, or any part thereof, is placed and remove the same, and Borrower shall assemble the Collateral and make it available to Lender at Borrower's premises.

(b) Lender shall have the right to assign, sell, or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit (for United States Dollars or such other currency as it may choose) or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as Lender may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to Borrower or right of redemption of Borrower, which are hereby expressly waived. Upon each such sale, assignment or other transfer of Collateral, Lender may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of Borrower, which are hereby waived and released.

(c) Lender may sublicense, to the same extent Borrower is permitted by law and contract to do so, whether on an exclusive or non-exclusive basis, any of the Collateral throughout the world for such period, on such conditions and in such manner as Lender shall, in its reasonable discretion, determine.

(d) Lender may (without assuming any obligations or liabilities thereunder), at any time, enforce (and shall have the exclusive right to enforce) against licensee or sublicensee all rights and remedies of Borrower in, to and under any license agreement with respect to such Collateral, and take or refrain from taking any action thereunder.

(e) Lender may, in order to implement the assignment, license, sale or other disposition of any of the Collateral pursuant to this Section, execute and deliver on behalf of Borrower one or more instruments of assignment of the Collateral in form suitable for filing, recording or registration in any jurisdictions as Lender may determine advisable.

(f) In the event that any Lender shall recover from Borrower or the Collateral more than its pro rata share of the Obligations owed to all Lender hereunder, whether by agreement, understanding or arrangement with Borrower or any other person, set off or other means, such Lender shall immediately deliver or pay over to the other Lender its pro rata portion of any such recovery in the form received.

6.3 Applications of Proceeds; Expenses.

(a) The proceeds of any such sale, sublicense or other disposition of the Collateral hereunder shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by Lender in enforcing its rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which Lender shall pay to Borrower any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which Lender is legally entitled, Borrower will be liable for the deficiency. To the extent permitted by applicable law, Borrower waives all claims, damages and demands against Lender arising out of the repossession, removal, retention or sale of the Collateral, unless due to the gross negligence or willful misconduct of Lender.

(b) Borrower agrees to pay all out-of-pocket fees, costs and expenses reasonably incurred in connection with any filing required hereunder, including, without limitation, any financing statements, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by Lender. Borrower shall also pay all other claims and charges which in the reasonable opinion of Lender would reasonably be expected to prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. Borrower will also, upon demand, pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of counsel and of any experts and agents, which Lender may incur in connection with the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral.

6.4 Responsibility for Collateral. Borrower assumes all liabilities and responsibility in connection with all Collateral, and the obligations of Borrower hereunder or under the Notes shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unenforceability or unavailability for any reason.

6.5 Security Interest Absolute. In the event that at any time any transfer of any Collateral or any payment received by Lender hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than Lender, then, in any such event, Borrower's obligations hereunder shall survive, and shall not be discharged or satisfied by any prior payment thereof, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. Borrower waives all right to require Lender to proceed against any other person or to apply any Collateral which Lender may hold at any time, or to marshal assets, or to pursue any other remedy. To the extent permitted by applicable law, Borrower waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

6.6 Term of Security Interest. The Security Interest shall terminate on the date on which all payments under the Notes have been made in full and all other Obligations have been paid or discharged in full. Upon such termination, Lender, at the request and at the expense of Borrower, will join in executing any termination statement and other filings with respect to any financing statement executed and filed pursuant to this Agreement or required for evidencing termination of the Security Interest.

6.7 Power of Attorney; Further Assurances. Borrower authorizes Lender, and does hereby make, constitute and appoint the Lender, and its officers, agents, successors or assigns with full power of substitution, as Borrower's true and lawful attorney-in-fact, with power, in its own name or in the name of Borrower, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of Lender; (ii) to sign and endorse any UCC financing statement or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against Borrower, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (v) generally, to do, at the option of Lender, and at Borrower's expense, at any time, or from time to time, all acts and things which Lender deem necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein, in order to effect the intent of this Loan Agreement and the Notes, all as fully and effectually as Borrower might or could do; and Borrower hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Loan Agreement.

(a) On a continuing basis, Borrower will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording places in any jurisdiction, including, without limitation, the State of Utah, all such instruments, and take all such action as necessary to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Loan Agreement, or for assuring and confirming to Lender the grant or perfection of a first priority security interest in all the Collateral.

(b) Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower, from time to time in Lender's discretion, to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral.

6.8 Termination and Release. The Security Interest shall terminate when all Obligations have been finally and indefeasibly paid in full. Upon the effectiveness of any written consent to the release of the Security Interest in any Collateral, the Security Interest in such Collateral shall be automatically released. Upon any sale, transfer or other disposition of Collateral permitted by the Loan Documents and Section 3(j) hereof, the Security Interest in such Collateral shall be automatically released (other than to the extent any such sale, transfer or other disposition of such Collateral would, immediately after giving effect thereto, result in the receipt by Borrower of any other property (whether in the form of Proceeds or otherwise) that would, but for the release of the Security Interest therein pursuant to this clause, constitute Collateral, in which event the Lien created hereunder shall continue in such property). In connection with any termination or release pursuant to this Section, Lender shall execute and deliver to Borrower, at Borrower's own cost and expense, all UCC termination statements and similar documents that Borrower may reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by Lender.

Section 7. Defaults and Remedies.

7.1 Events of Default. The occurrence of any of the following events shall be an "Event of Default" hereunder:

(a) Borrower fails to make any payment to Lender of principal, interest or any other amount due under the Note, this Loan Agreement, or any other Loan Document (other than payments described in (b) below), or fails to deliver or deposit funds with Lender as required under the Note, this Loan Agreement, or any other Loan Document, and any such failure remains uncured for three (3) business days following delivery to Borrower by Lender of written notice thereof.

(b) The occurrence of an Event of Default (subject to any applicable notice or cure periods set forth therein) under the Note or any other Loan Document (as "Event of Default" is defined in the Note).

(c) Lender fails to have a legal, valid, binding and enforceable first priority lien on the Collateral or any portion thereof.

(d) Any written representation, warranty, certification, declaration or disclosure made to Lender by Borrower was intentionally false or misleading on the date as of which made, whether or not that representation, warranty, certification, declaration or disclosure appears in this Loan Agreement or any other Loan Document; or any such written representation, warranty, certification, declaration or disclosure made to Lender proves to be false or misleading on the date on which made, and such false or misleading representation, warranty, certification, declaration or disclosure involves, concerns or results in acts, circumstances or the change of circumstances constituting a Material Adverse Effect.

(e) Borrower fails to perform, observe or comply with any obligation, covenant or agreement of Borrower under this Loan Agreement or under any other Loan Document and such failure remains uncured 5 business days following delivery to Borrower of written notice of such failure from Lender.

(f) Any one or more of the following occurs:

(i) A general assignment for the benefit of creditors by Borrower; or

(ii) The filing of a voluntary petition by Borrower in bankruptcy, insolvency, reorganization or liquidation, or any other petition under any section or chapter of the Bankruptcy Code or any similar law, whether state, federal, foreign, or otherwise, for the relief of debtors; or

(iii) The filing of any involuntary petition or any other petition against Borrower under any section or chapter of the Bankruptcy Code, or any similar law, whether state, federal or otherwise, relating to insolvency, reorganization, or liquidation, or for the relief of debtors, by the creditors of Borrower, said petition remaining undischarged for a period of sixty (60) days; or

(iv) The application by Borrower or the consent or acquiescence by Borrower to an application for the appointment of a custodian, receiver, conservator, trustee, or similar official for Borrower or for a substantial part of the property or business of Borrower; or

(v) Attachment, execution or judicial seizure (whether by enforcement of money judgment, by writ or warrant of attachment, or by any other process) of all or any part of the assets of Borrower, such attachment, execution or other seizure remaining undismissed or undischarged for a period of sixty (60) days after the levy thereof, or, in any event, later than five days prior to the date of any proposed sale thereunder; or

(vi) The admission in writing by Borrower of its inability to pay its debts or perform its obligations as they become due.

(g) Borrower fails to own good title to the Collateral or any portion thereof.

7.2 Remedies. At any time after the occurrence of an Event of Default, Lender shall, in addition to the rights and remedies set forth in Section 7, have the right to declare any or all of the outstanding Loan Amount to be due and payable immediately.

7.3 Remedies are Cumulative. All remedies contained in the Loan Documents are cumulative and not exclusive, and Lender shall also have all other remedies provided by law or in any other agreement between Borrower and Lender. No delay or failure by Lender to exercise any right or remedy will be construed to be a waiver of that right or remedy or of any default or Event of Default by Borrower. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 8. Miscellaneous Provisions.

8.1 Assignment. This Loan Agreement shall inure to the benefit of and be binding upon Borrower, Lender and its respective successors, assigns and designees. Borrower may not assign its rights or interest hereunder or under the other Loan Documents. Any Lender may assign any or all of its rights under this Loan Agreement to any person to whom such Lender assigns or transfers any Notes.

8.2 Agents. The Lender may use one or more agents or servicers to perform its obligations hereunder or under the other Loan Documents.

8.3 Cumulative Rights; No Waiver. The rights, powers and remedies of the Lender hereunder are cumulative and in addition to all rights, powers and remedies provided under any and all agreements between Borrower and the Lender relating hereto, at law, in equity or otherwise. Any delay or failure by Lender to exercise any right, power or remedy shall not constitute a waiver thereof by the Lender, and no single or partial exercise by the Lender of any right, power or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers or remedies. No delay or omission of the Lender to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Loan Agreement, the Note or any other Loan Document, the Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Loan Agreement, the Note or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount. Every right and remedy given by this Section or by law to the Lender may be exercised from time to time, and as often as may be deemed expedient by the Lender and may be pursued singly, concurrently or otherwise, at such time and in such order as the Lender may determine in the Lender's sole discretion.

8.4 Survival of Representations. Borrower agrees that all of the representations and warranties, covenants and agreements of Borrower set forth herein and in the other Loan Documents are made as of the date hereof (except as expressly otherwise provided) and shall survive the delivery of the Note and the making of the Loan and continue for as long as any amount remains owing to the Lender under any Loan Documents. All representations, warranties, covenants and agreements made in the Loan Documents shall be deemed to have been relied upon by the Lender notwithstanding any investigation heretofore or hereafter made by the Lender or on its behalf.

8.5 Notices to Parties. All notices or other communications hereunder or under any other Loan Document by any party to any other party shall be in writing unless otherwise provided for herein and shall be served by hand, certified or registered mail, postage prepaid, return receipt requested, or facsimile transmission confirmed by certified or registered mail. All such notices or other communications shall be deemed to have been sufficiently given for all purposes hereof on the date of receipt or refusal to accept delivery. Addresses for notices are as listed below. Any party may change the address to which notices are to be sent by notice of such change to the other parties given as provided herein.

(i) if to Lender:

Mercator Momentum Fund III, LP
555 South Flower Street, Suite 4200
Los Angeles, CA 90071
Attention: David F. Firestone
Telephone: (213) 533-8288
Telecopier: (213) 533-8285

with a copy to:

Paula Winner Barnett, Esq.
17967 Boris Drive
Encino, CA 91316
Attention: Paula Winner Barnett, Esq.
Telephone: (818) 776-9881
Telecopier: (818) 743-7491

(ii) if to Borrower:

Medical Discoveries, Inc.
c/o Sunhaven Farms
30103 West Gwinn Road
Prosser, WA 99350
Attention: David R. Walker
Telephone: (509) 786-1013
Telecopier: (509) 786-1020

with a copy to:

Troy Gould PC
1801 Century Park East, Suite 1600
Los Angeles, CA 90067
Attention: Istvan Benko, Esq.
Telephone: (310) 789-1226
Telecopier: (310) 789-142

8.6 Jurisdiction. Any legal suit, action or proceeding against the Lender or Borrower arising out of or relating to this Agreement or the other Loan Documents shall be instituted in any federal or state court in Los Angeles County, California. Borrower hereby waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Borrower hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

8.7 Headings. The Section headings used in this agreement are for convenience of reference only and shall not affect the construction of this Loan Agreement.

8.8 Modifications in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Loan Agreement, or consent to any departure by the Lender therefrom, shall be effective unless in writing and signed by the Lender and Borrower. Any amendment, modification or supplement of or to any provision of this Loan Agreement, any waiver of any provision of this Loan Agreement, and any consent to any departure by the Lender from the terms of any provision of this Loan Agreement shall be effective only in the specific instance and for the specific purpose for which made or given.

8.9 Execution in Counterparts. This Loan Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement.

8.10 Severability of Provisions. Any provision of this Loan Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

8.11 WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THIS LOAN AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS. NO PARTY SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY THE PARTIES, AND EACH PARTY ACKNOWLEDGES THAT NEITHER THE OTHER PARTY NOR ANY PERSON ACTING ON BEHALF OF THE OTHER PARTY HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF JURY TRIAL. EACH PARTY HERETO ACKNOWLEDGES THAT (1) IT BARGAINED AT ARM'S LENGTH AND IN GOOD FAITH, WITHOUT DURESS, (2) THAT THE PROVISIONS HEREOF SHALL BE SUBJECT TO NO EXCEPTIONS WHATEVER, (3) THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL AND (4) THAT IT HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. EACH PARTY HERETO SPECIFICALLY ACKNOWLEDGES THAT NO OTHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 6.11 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. EACH PARTY HERETO FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION AND AS EVIDENCE OF THIS FACT SIGNS ITS INITIALS BELOW. THE PARTIES AGREE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH OF THEM TO ENTER INTO THE TRANSACTIONS AND THAT THIS WAIVER SHALL BE EFFECTIVE AS TO ALL OF THE LOAN DOCUMENTS AND THE ENVIRONMENTAL INDEMNITIES AS IF FULLY INCORPORATED THEREIN.

INITIALS: _____BORROWER: _____LENDER: _____

8.12 Governing Law. This Loan Agreement, the other Loan Documents and the obligations arising hereunder and thereunder shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed in such state; specifically, without limitation, the law of the State of California shall govern with respect to usury, the charging or collection of interest, and the contracting for or receipt of interest or any other sums for the use, loan or forbearance of the Loan or any other money as provided herein or in any other Loan Documents.

8.13 Brokers and Financial Advisors. Borrower and the Lender hereby represent that they have dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Loan Agreement. Borrower and the Lender hereby agree to indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any person or entity of the type specified above that such person or entity acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 8.13 shall survive the expiration and termination of this Loan Agreement and the repayment of the Loan Amount.

8.14 No Joint Venture or Partnership. Borrower and the Lender intend that the relationship created hereunder be solely that of borrower and lender. Nothing herein is intended to create a joint venture, partnership, tenancy-in-common, or joint tenancy relationship between Borrower and the Lender.

8.15 Conflict; Construction of Documents; Entire Agreement. The parties hereto acknowledge that they were each represented by counsel in connection with the negotiation and drafting of the Loan Documents and that the Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted the same. This Loan Agreement, the Note, the other Loan Documents, including any attachments, exhibits and schedules referred to therein, constitute the entire agreement between the parties pertaining to the subject matter thereof and supersede any and all prior agreements, representations and understandings of the parties, written or oral. Except as otherwise expressly provided in any Loan Document, to the extent of any conflict or inconsistency between the terms of this Loan Agreement and the terms of any other Loan Document, the terms hereof shall prevail.

8.16 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from the Lender except with respect to matters for which this Loan Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by the Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable law, permitted to waive the giving of notice.

8.17 Fee and Expense Reimbursement and Direct Payment.

(a) Upon execution of this Loan Agreement, in accordance with the Letter Agreement, Lender shall deposit $250,000 (the "**Initial Draw-Down**") into Advisors' client trust account. Advisors shall pay the following from the Initial Draw-Down: legal fees to Paula Winner Barnett, Esq., consulting fees to the Advisors, and legal fees to Troy Gould PC, as reimbursement in full of Lender's costs and expenses incurred in connection with the Loan and other transactions related to Borrower. The remaining Initial Draw-Down amount shall be delivered to Borrower, less any customary bank charges.

(b) Following the execution of this Loan Agreement, Borrower shall from time to time, on demand, reimburse Lender for, and hereby agrees to indemnify Lender against, all liabilities, claims, debts, losses, demands, actions, suits, charges, reasonable attorneys' fees, reasonable consultants' fees and other expenses incurred by Lender in the exercise of its powers, rights and duties hereunder and in enforcement and administration of the Loan, including, without limitation, protecting Lender's security for the Loan, and payment of obligations of Borrower which Lender may make, and in connection with any refinancing of or restructuring of the Loan, including, but not limited to, extensions, renewals, revisions or "workouts," or if any bankruptcy, insolvency or debtor-relief proceeding is commenced by or against Borrower, the fees and expenses of legal counsel for Lender incurred in connection therewith, including, but not limited to, attendance of such counsel at meetings of creditors for the consideration of such proceedings, shall be recoverable from Borrower upon demand; provided, however, that Borrower shall be under no obligation to indemnify Lender against any liabilities, claims, debts, losses, demands, actions, suits, charges, attorneys' fees, consultant's fees, and other expenses resulting from gross negligence or willful misconduct on the part of the Lender.

(c) In the event that Borrower fails, within thirty (30) days after Lender's demand to pay to Lender any sum advanced or expenses incurred by Lender pursuant this Loan Agreement or under the other Loan Documents which is reimbursable by Borrower under the terms of this Loan Agreement or any other Loan Document, the amount of such advance or expense shall bear interest from the 31st day after such Lender's demand at the Default Rate (as defined in the Note); provided, however, that this provision shall be in addition to all other rights and remedies of Lender hereunder and under the other Loan Documents and shall not be deemed to limit Lender's right to compel prompt performance hereunder or thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their duly authorized representatives, as of the date first above written.

LENDER:
MERCATOR MOMENTUM FUND III, LP,
a California limited partnership

By: _____

Name: David Firestone
Title: General Partner

BORROWER:
MEDICAL DISCOVERIES, INC.,
a Utah corporation

By: _____

Name: David R. Walker
Title: Chairman of the Board of Directors

EXHIBIT A

FORM OF SECURED PROMISSORY NOTE

$[xxxx.00] **SEPTEMBER __, 2007**

FOR VALUE RECEIVED, the undersigned, **MEDICAL DISCOVERIES, INC.**, a Utah corporation, having its place of business at ("**Maker**"), hereby promises to pay to the order of **Mercator Momentum Fund III LP**, a California limited liability partnership, having its principal place of business at 555 South Flower Street, Suite 4200, Los Angeles, CA 90071 (together with their successors, assigns and designees, the "**Payee**"), the principal sum of _____ DOLLARS ($xxxx.00) or the lesser amount advanced pursuant hereto, together with interest accrued thereon, on or before December 14, 2007 (the "**Maturity Date**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in that certain Loan and Security Agreement of even date herewith between Maker and Payee (the "**Loan Agreement**").

Section 1.

RATE OF INTEREST AND REPAYMENT TERMS

1.1 Payments During Term.

(a) Interest accruing under this Note shall become payable on a monthly basis, and the principal shall be due on the on the Maturity Date.

(b) Unless Maker shall prepay the entire outstanding balance of this Note in the manner permitted by Section 1.03 below, then on or before 5:00PM. Pacific Time on the Maturity Date, the entire outstanding balance of principal, all accrued interest and all other amounts owed and unpaid hereunder shall be due and payable.

1.2 Rate of Interest.

The principal balance of this Secured Promissory Note (this "**Note**") from time to time outstanding shall bear interest at a per annum rate of twelve percent (12%) (the "**Contract Rate**").

1.3 Prepayment During Term.

Maker may, from time to time, repay or prepay this Note, in whole or in part, without penalty. Any prepayment of principal of this Note shall include accrued interest. Any prepayment shall be applied first to satisfaction of any accrued and unpaid interest and the balance shall be applied against the principal balance hereof. Notwithstanding the stated Maturity Date, upon Payee's written request therefor, Maker shall prepay this Note on and as of the date of the closing of the Eucodis Sale.

1.4 Payments and Computations.

(a) Maker shall make payment under this Note by bank wire transfer of immediately available funds for the amount of such payment in lawful money of the United States to Payee in accordance with the instructions given on Schedule I, attached, or in such other manner and to such other address as Payee may from time to time designate to Maker in writing.

(b) Interest on the principal sum of the Note shall be computed on the basis of a year of three hundred sixty (360) days and a month of thirty (30) days.

(c) Whenever any payment to be made hereunder is stated to be due on a day other than a Business Day (as hereinafter defined), such payment shall be made on the next succeeding Business Day, and there shall be no additional charge for such extension of time, which shall be deemed to be included in the computation of interest at the Contract Rate. "**Business Day**" means a day other than a Saturday or Sunday or a public or bank holiday on which state chartered banks generally are closed in the State of California.

1.5 Default Rate of Interest.

Following the maturity of the indebtedness evidenced hereby, whether by acceleration or otherwise, and following any Event of Default hereunder or under any other Loan Document, after the delivery of any required notices and the expiration of any applicable cure period, the unpaid principal amount hereof, all unpaid interest thereon and other charges shall thereafter bear interest at a rate equal to the lesser of the Contract Rate plus six percent (6%) per annum, or the maximum rate permitted by law (hereafter referred to as the "**Default Rate**"). The Default Rate shall also accrue upon any sums which Payee advances hereunder or under the terms of the Loan Documents to protect its security for this Note or otherwise assert or protect any of its rights and benefits under the Loan Agreement. Interest at the Default Rate will be due from and including the due date for such amounts and to, but excluding, the date Payee receives the past due amount, any late charges and Default Rate interest in immediately available funds. For purposes of this Note, the term "**Event of Default**" shall have the same meaning ascribed to such term in, and shall include any event which would constitute an Event of Default under, the Loan Agreement, and shall include, without limitation, a breach under this Note, subject to any applicable notice requirements and cure periods specified in the Loan Agreement.

Section 2.

SECURITY

2.1 Loan Documents.

This Note and Maker's obligations hereunder are secured by the Collateral (as defined in the Loan Agreement). The Loan Agreement and all documents, certificates, and instruments supporting, securing, evidencing or relating to the indebtedness evidenced by this Note may be referred to herein collectively as the "**Loan Documents**" and individually as a "**Loan Document**."

Section 3.

GENERAL PROVISIONS

3.1 Acceleration on Default.

Following an Event of Default, the entire outstanding principal balance, all accrued but unpaid interest hereunder, and all late charges and other amounts owing hereunder but unpaid shall, at the option of Payee, become immediately due and payable. Failure by the Payee to exercise such option shall not be a waiver of the right to do so at any future time for the certain Event of Default giving rise to Payee's right to accelerate or for any other Event of Default.

3.2 No Offset; Waiver of Notice, Etc.

All payments under this Note shall be made by Maker without deduction, offset, abatement, suspension, deferment, diminution or reduction of any kind whatsoever. Maker and all other persons, partnerships, corporations or other legal entities liable now or at any time for the payment of the indebtedness evidenced hereby expressly waive all notice, demand for payment, presentment for payment, protest and notice of protest, notice of intent to accelerate, notice of acceleration and diligence in collection and agree that the time of said payment or any part thereof may be extended by Payee, and further agree that the real or personal property security or any part thereof may be released by Payee without in any way modifying, altering, releasing, affecting or limiting any liens or security interests arising under any of the Loan Documents. The nonexercise by Payee of any of the rights under this Note in any particular instance shall not constitute a waiver of such rights in that or in any subsequent instances.

3.3 Compliance with Usury Laws.

All agreements in this Note and in the Loan Documents are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement or acceleration of maturity of the indebtedness evidenced hereby, or otherwise, shall the amount paid or agreed to be paid hereunder or under the Loan Documents for the use, forbearance or detention of money exceed the highest lawful rate permitted under applicable usury laws. If, from any circumstance whatsoever, fulfillment of any provisions of this Note or of any of the Loan Documents, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable to the indebtedness evidenced hereby, then, the obligation to be fulfilled shall be reduced to the limit of such validity and if, from any circumstance whatsoever, Payee or any holder of this Note shall ever receive as interest an amount which would exceed the highest lawful rate, the receipt of such excess shall be credited against the principal amount of the indebtedness evidenced hereby to which the same may lawfully be credited, and any portion of such excess not capable of being so credited shall be rebated to Maker.

3.4 Governing Law.

This Note is to be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed wholly within the State of California.

3.5 Waiver of Jury Trial.

Maker hereby waives the right to a trial by jury in any action or proceeding based upon, or related to, the subject matter of this Note. Maker shall not seek to consolidate any such action in which a jury trial has been waived, with any other action in which a jury trial cannot or has not been waived. This waiver is knowingly, intentionally and voluntarily made by Maker, and Maker acknowledges that neither Payee nor any person acting on behalf of Payee has made any representations of fact to induce this waiver of jury trial. Maker acknowledges that 1) it bargained at arm's length and in good faith, without duress, 2) that the provisions hereof shall be subject to no exceptions whatever, 3) that it has been represented (or has had the opportunity to be represented) in the signing of this Note and in the making of this waiver by independent legal counsel, selected of its own free will and 4) that it had the opportunity to discuss this waiver with counsel. Maker specifically acknowledges that no party has in any way agreed with or represented to any other party that the provisions of this Section 3.05 will not be fully enforced in all instances. Maker further acknowledges that it has read and understands the meaning and ramifications of this waiver provision and as evidence of this fact signs its initials.

_____ _____ _____

Maker's Initials

3.6 Payee.

All references to "**Payee**" in this Note shall be deemed to refer to and include the original Payee under this Note, and any heirs, administrators or assigns, other successors in interest to the original Payee or any other holder of this Note, which successors and assigns are permitted pursuant to the terms of the Agreement.

3.7 Costs of Enforcement.

On demand, Maker shall pay or reimburse Payee for the payment of any costs or expenses (including in-house and reasonable outside attorneys' fees and disbursements) incurred or expended by Payee in connection with or incidental to (i) any Event of Default by Maker, or (ii) the exercise or enforcement by or on behalf of Payee of any of its rights or remedies or Maker's obligations under this Note, the Agreement or the other Loan Documents, including (x) the enforcement, compromise or settlement of the obligations of this Note, (y) if prompted by an act or omission of Maker, all actions taken by Payee to protect its security under this Note, the Agreement and the other Loan Documents, including but not limited to consultation with an attorney whether or not the matter prompting such consultation is eventually involved in litigation, and (z) the defense or assertion of the rights or claims of any Payee hereunder, whether by litigation (including litigation in a United States Bankruptcy Court) or otherwise.

3.8 Assignment of this Note.

Maker hereby acknowledges and agrees that Payee may assign or otherwise transfer all or any portion of its rights under this Note to one or more institutional investors or the affiliates thereof or to one or more of its affiliates or wholly-owned subsidiaries. Any assignee shall have the same rights and privileges under this Note as if said assignee were the original payee hereof.

3.9 No Oral Modification.

This Note may not be amended, cancelled, discharged, extended or modified except in writing.

MAKER:

MEDICAL DISCOVERIES, INC., a Utah corporation

By: _____

Name: David R. Walker

Title: Chairman of the Board of Directors

****

SCHEDULE I
PAYEE PAYMENT INSTRUCTIONS

EXHIBIT B

LETTER AGREEMENT

Dated as of September __, 2007

Emmes Group Consulting LLC
92 Natoma Street, Suite 200
San Francisco, CA 94105

Re: PERMITTED PAYMENTS BY MEDICAL DISCOVERIES, INC. UNDER $1,000,000 CREDIT FACILITY

Ladies and Gentlemen:

Reference hereby is made to (i) that certain credit facility (the "**Loan Agreement**") and corresponding promissory note dated as of the date hereof (the "**Note**"), made by Medical Discoveries, Inc., a Utah corporation (hereinafter "**Borrower**"), payable to the order of Mercator Momentum Fund III, LP, a California limited partnership (together with its successors, assigns, and designees, hereinafter "**Lender**"). Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Note.

Whereas, (i) in accordance with the terms and conditions of the Loan Agreement and Note, the Lender wishes to advance certain amounts in favor of Borrower to the Emmes Group's client trust account established at Bank of America NT&SA, Market-New Montgomery Branch, San Francisco, California, (ii) in accordance with such terms and conditions, in order to obtain a loan advance under the Loan Agreement and Note, Borrower shall from time to time deliver a borrowing certificate (each a "**Borrowing Certificate**"), and (iii) the Lender and Borrower wish to engage Emmes Group Consulting LLC, a California limited liability company ("**Advisors**"), to receive each such Borrowing Certificate and such information and to disburse the loan advances in the manner set forth in this Letter Agreement (this "**Agreement**"), and Advisors wish to accept such engagement. Each Borrowing Certificate shall contain the following information and statements: (a) The amount of the advance that Borrower desires to borrow under the Loan; (ii) The purpose for which the advances will be used; (iii) A representation that the Borrower is not in default under the Note and that all of the representations and warranties in the Loan Agreement are, as of the date of the Borrowing Certificate, true and correct.

NOW, THEREFORE, for and in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agrees as follows:

1. Term. The term of this Agreement (the "**Term**") shall commence on the date hereof under the Note and shall continue thereafter until 10 calendar days following the Maturity Date of the Note, unless terminated earlier by (a) Advisors upon written notice to Lender and Borrower, or (b) by mutual agreement by and among Advisors and the Lender and Borrower.

2. Engagement and Duties. The Lender and Borrower hereby engages Advisors to perform the following services (the "**Services**"): (a) Lender agrees to deliver to Advisors a total of $1,000,000 (the "**Loan Amount**"), to be delivered on the schedule set forth in Exhibit C of the Loan Agreement; (b) Advisors shall deposit all funds received from the Lender hereunder in the Emmes Group's client trust account established at Bank of America NT&SA, Market-New Montgomery Branch, San Francisco, California; (c) Advisors shall take delivery of each Borrowing Certificate delivered, from time to time, pursuant to the Note from Borrower and any other information delivered in connection therewith; (d) Advisors shall review each such Borrowing Certificate and such information and, if the Release Conditions are met, shall thereafter promptly release the amount loan proceeds specified under the Borrowing Certificate to the Borrower; and (e) on December 15, 2007, Advisors shall return to Lender any portion of the Loan Amount that has not been disbursed to Borrower prior to that date. For the purposes hereof, the "**Release Conditions**" shall mean the satisfaction of both of the following conditions: (i) The amounts requested under the Borrowing Certificate matches or is less than, in the aggregate, the amounts set forth in the Use of Proceeds Plan attached to the Loan Agreement as Schedule 3.16; and (ii) the Borrower's intended use of proceeds as described in the Borrowing Certificate is listed on Schedule 3.16 as an approved use of the Loan advances. Advisor's duties under this Agreement shall be performed in such manner as Advisors deem necessary or appropriate in their reasonable judgment. In providing this service, the Lender and Borrower both agree that Advisor is in no way serving as an executive officer of the Borrower or in any way managing the business of the Borrower.

3. Expenses and Indemnification. During the Term, the Borrower, shall reimburse Advisors for all reasonable business expenses incurred in connection with the provision of the Services in accordance herewith. The Lender and Borrower, jointly and severally, shall indemnify and hold Advisors, its principals, officers, shareholders, members, employees, consultants, and agents harmless from and against any and all liability, demands, claims, actions, losses, interest, costs of defense and expenses (including, without limitation, reasonable attorneys' fees and any claims by the Borrower or the Lender) (collectively, the "Liabilities"), which arise out of or in connection with this Agreement or any of the Note, including without limitation the acceptance of this Agreement and Advisor's performance of any of the Services or any other duties hereunder, except such Liabilities as may directly result from the willful misconduct or gross negligence of Advisors. Promptly after receipt by Advisors of notice of any demand or claim or the commencement of any action, suit or proceeding relating to this Agreement, Advisors shall promptly notify Lender and Borrower thereof in writing. IT IS EXPRESSLY THE INTENT OF THE LENDER AND BORROWER TO JOINTLY AND SEVERALLY INDEMNIFY ADVISORS AND ITS PRINCIPALS, DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS AND EMPLOYEES AND CONSULTANTS AND AGENTS FROM ERRORS IN JUDGMENT OR OTHER ACTS OR OMISSIONS NOT AMOUNTING TO WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

4. Representations and Warranties. Each party to this Agreement represents and warrants to the other party as follows: (a) it is a legal entity duly organized and validly existing under the laws of the jurisdiction in which it was organized and has all requisite corporate or limited liability company power to enter into this Agreement; (b) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance by it with any of the provisions hereof will: (i) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to it or (ii) require the consent, approval, permission or other authorization of, or qualification or filing with or notice to, any court, arbitrator or other tribunal or any governmental, administrative, regulatory or self-regulatory agency or any other third party; (c) this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding agreement.

5. Survival of Agreement. The Lender's and Borrower's obligations set forth in this Agreement shall survive the expiration, termination, or supersession of this Agreement.

6. Choice of Law; Counterparts. **THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF LENDER AND ADVISORS WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REFERENCE TO CONFLICTS OF LAW PRINCIPLES EXCEPT TO THE EXTENT NECESSARY TO ENFORCE THIS CHOICE OF LAW PROVISION.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts. Each of such counterparts shall be deemed to be an original, and all of such counterparts, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this letter by telefacsimile shall be equally effective as delivery of a manually executed counterpart.

7. Assignment; Entire Agreement. Except as specifically stated in this Agreement, neither this Agreement nor any of the rights, interests or obligations of any party hereunder shall be assigned or delegated by either party without the prior written consent of the other party, not to be unreasonably withheld. Any unauthorized assignment or delegation shall be null and void. This Agreement constitutes the full and entire understanding and agreement among the parties hereto with regard to the subjects hereof and thereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein

Please acknowledge your acceptance and agreement to the terms of this Agreement by returning a duly executed counterpart of this Agreement to us.

Very truly yours,

MERCATOR MOMENTUM FUND III, LP, as a Lender

By: _____

Name: David Firestone
Title: General Partner

MEDICAL DISCOVERIES, INC., as a Borrower

By: _____

Name: David R. Walker
Title: Chairman of the Board of Directors

Accepted and agreed to, as Advisors
as of the date first above written:

EMMES GROUP CONSULTING LLC

By: _____

Name: Martin F. Schroeder
Title: EVP & Managing Director

EXHIBIT C

DRAW-DOWN SCHEDULE

WARRANT TO PURCHASE COMMON STOCK

EXHIBIT D

FORM OF NEW WARRANT

THIS WARRANT AND THE SECURITIES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT TO PURCHASE COMMON STOCK

Number of Shares:	Up to _____ shares (subject to adjustment)
Warrant Price:	$0.01 per share
Issuance Date:	September 7, 2007
Expiration Date:	September 30, 2013

THIS WARRANT CERTIFIES THAT for value received, _____ or its registered assigns (hereinafter called the "***Holder***") is entitled to purchase from Medical Discoveris, Inc., a Utah corporation (hereinafter called the "***Company***"), the above referenced number of fully paid and nonassessable shares (the "***Shares***") of common stock, par value $0.01 per share (the "***Common Stock***") of Company, at the Warrant Price per Share referenced above; the number of shares purchasable upon exercise of this Warrant referenced above being subject to adjustment from time to time as described herein. This Warrant is issued in connection with that certain Loan Agreement dated as of September 7, 2007, by and among the Company, Holder and the other parties therein named (the "***Loan Agreement***"). The exercise of this Warrant shall be subject to the provisions, limitations and restrictions contained herein.

Section 1. Term and Exercise.

1.1 Term. This Warrant is exercisable in whole or in part (but not as to any fractional share of Common Stock), at any time and from time to time after the date hereof prior to 6:00 p.m. on the Expiration Date set forth above.

1.2 Warrant Price. The Warrant shall be exercisable at the Warrant Price described above.

1.3 Maximum Number of Shares. The maximum number of Shares of Common Stock exercisable pursuant to this Warrant is _____ Shares. However, notwithstanding anything herein to the contrary, in no event shall the Holder be permitted to exercise this Warrant for a number of Shares greater than the number that would cause the aggregate beneficial ownership of the Company's Common Stock (calculated pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of the Holder and all persons affiliated with the Holder to equal 9.99% of the Company's Common Stock then outstanding.

1.4 Procedure for Exercise of Warrant. Holder may exercise this Warrant by delivering the following to the principal office of the Company in accordance with Section 5.1 hereof: (i) a duly executed Notice of Exercise in substantially the form attached as Schedule A, (ii) payment of the Warrant Price then in effect for each of the Shares being purchased, as designated in the Notice of Exercise, and (iii) this Warrant. Payment of the Warrant Price may be in cash, certified or official bank check payable to the order of the Company, or wire transfer of funds to the Company's account (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased.

1.5 Delivery of Certificate and New Warrant. In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be designated by the Holder, together with any other securities or other property which the Holder is entitled to receive upon exercise of this Warrant, shall be delivered to the Holder hereof, at the Company's expense, within a reasonable time, not exceeding fifteen (15) calendar days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of Shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price was received by the Company, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is on a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such Shares at the close of business on the next succeeding date on which the stock transfer books are open.

1.6 Restrictive Legend. Each certificate for Shares shall bear a restrictive legend in substantially the form as follows, together with any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Shares may, at the time of such exercise, be listed:

> "The shares of stock evidenced by this certificate have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold, pledged or otherwise transferred ("transferred") in the absence of such registration or an applicable exemption therefrom. In the absence of such registration, such shares may not be transferred unless, if the Company requests, the Company has received a written opinion from counsel in form and substance satisfactory to the Company stating that such transfer is being made in compliance with all applicable federal and state securities laws."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend shall also bear such legend unless, in the opinion of counsel for the Holder thereof (which counsel shall be reasonably satisfactory to the Company), the securities represented thereby are not, at such time, required by law to bear such legend.

1.7 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying to Holder an amount computed by multiplying the fractional interest by the Warrant Price of a full Share then in effect.

1.8 Cashless Exercise.

(a) Holder may, at its option, in lieu of paying the Warrant Price upon exercise of this Warrant pursuant to Section 1.4 hereof, elect to instead to receive a number of Shares computed using the following formula:

$$X=\frac{Y(A-B)}{A}$$

Where X= the number of Shares issuable to Holder upon exercise of this Warrant under this Section 1.8, Y=the number of Shares issuable to Holder upon exercise of this Warrant under Section 1.4 herof, A=the Fair Market Value (as defined below) of one Share of Common Stock as of the exercise date; and B=the Warrant Price of one Share of Common Stock.

(b) For purposes of this Section 1.8, "***Fair Market Value***" of one Share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a national securities exchange or through the Nasdaq Stock Market, the Fair Market Value shall be deemed to be the volume weighted average closing price of the Common Stock on such exchange as of five business days immediately prior to such date (or if no reported sales took place on such day, the last date on which any such sales took place prior to the date of exercise); (ii) if traded over-the-counter or the Pink Sheets but not on the Nasdaq Stock Market, the "Fair Market Value" shall be deemed to be the average of the closing price as of five business days immediately prior to such date; and (iii) if there is no active market public market, the "Fair Market Value' shall the fair market, as mutually determined by the Holder and the Company or, if the Holder and the Company are unable to reach such agreement, as determined by a nationally recognized independent investment banker or valuation consultant (which has not been retained by the Company or any of its affiliates for the past two years preceding such determination) mutually acceptable to Holder and Company.

Section 2. Representations, Warranties and Covenants.

2.1 Representations and Warranties.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has all necessary power and authority to perform its obligations under this Warrant;

(b) The execution, delivery and performance of this Warrant has been duly authorized by all necessary actions on the part of the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms; and

(c) This Warrant does not violate and is not in conflict with any of the provisions of the Company's Articles of Incorporation, Bylaws and any resolutions of the Company's Board of Directors or stockholders, or any agreement of the Company, and no event has occurred and no condition or circumstance exists that might (with or without notice or lapse of time) constitute or result directly or indirectly in such a violation or conflict.

2.2 Issuance of Shares. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant excluding the Holder's income and other taxes not directly relating to the issuance of the Warrant or Common Stock. The Company further covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise in full of the rights represented by this Warrant. If at any time the number of authorized but unissued shares of Common Stock of the Company shall not be sufficient to effect the exercise of the Warrant in full, subject to the limitations set forth in Section 1.3 hereto, then the Company will take all such corporate action as may, in the opinion of counsel to the Company, be necessary or advisable to increase the number of its authorized shares of Common Stock as shall be sufficient to permit the exercise of the Warrant in full, subject to the limitations set forth in Section 1.3 hereto, including without limitation, using its best efforts to obtain any necessary stockholder approval of such increase. The Company further covenants and agrees that if any shares of capital stock to be reserved for the purpose of the issuance of shares upon the exercise of this Warrant require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued or delivered upon exercise, then the Company will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be. If and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange or the Nasdaq Stock Market, the Company will, if permitted by the rules of such exchange or market, list and keep listed on such exchange or market, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

Section 3. Other Adjustments.

3.1 Subdivision or Combination of Shares. In case the Company shall at any time subdivide its outstanding Common Stock into a greater number of shares, the Warrant Price in effect immediately prior to such subdivision shall be proportionately reduced, and the number of Shares subject to this Warrant shall be proportionately increased, and conversely, in case the outstanding Common Stock of the Company shall be combined into a smaller number of shares, the Warrant Price in effect immediately prior to such combination shall be proportionately increased, and the number of Shares subject to this Warrant shall be proportionately decreased.

3.2 Dividends in Common Stock, Other Stock or Property. If at any time or from time to time the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor:

(a) Common Stock, Options or any shares or other securities which are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution;

(b) any cash paid or payable otherwise than as a regular cash dividend; or

(c) Common Stock or additional shares or other securities or property (including cash) by way of spin-off, split-up, reclassification, combination of shares or similar corporate rearrangement (other than Common Stock issued as a stock split or adjustments in respect of which shall be covered by the terms of Section 3.1 above) or additional shares, other securities or property issued in connection with a Change (as defined below) (which shall be covered by the terms of Section 3.3 below), then and in each such case, the Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to in clause (b) above and this clause (c)) which such Holder would hold on the date of such exercise had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities and property.

3.3 Reorganization, Reclassification, Consolidation, Merger or Sale. If any recapitalization, reclassification or reorganization of the share capital of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its shares and/or assets or other transaction (including, without limitation, a sale of substantially all of its assets followed by a liquidation) shall be effected in such a way that holders of Common Stock shall be entitled to receive shares, securities or other assets or property (a "***Change***"), then, as a condition of such Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares, securities or other assets or property as may be issued or payable with respect to or in exchange for the number of outstanding Common Stock which such Holder would have been entitled to receive had such Holder exercised this Warrant immediately prior to the consummation of such Change. The Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to give effect to the adjustments provided for in this Section 3 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Section 3.3 shall similarly apply to successive Changes.

Section 4. Ownership and Transfer.

4.1 Ownership of This Warrant. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 4.

4.2 Transfer and Replacement. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this Warrant duly endorsed, at the office of the Company in accordance with Section 5.1 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or local government or an institutional holder or a nominee for such an instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Warrant, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly cancelled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the case of the loss, theft or destruction of a Warrant, the Company shall pay all expenses, taxes and other charges payable in connection with any transfer or replacement of this Warrant, other than income taxes and stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws and except after providing evidence of such compliance reasonably satisfactory to the Company.

Section 5. Miscellaneous Provisions.

5.1 Notices. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered or forwarded to the Holder at c/o M.A.G. Capital, LLC, 555 South Flower Street, Suite 4200, Los Angeles, California 90071, Attention: David F. Firestone (Facsimile No. 213/553-8285), or to such other address or number as shall have been furnished to the Company in writing by the Holder, with a copy to Paula Winner Barnett, Esq., 17967 Boris Drive, Encio, CA 91316 (Facsimile No. 818/743-7491). Any notice or other document required or permitted to be given or delivered to the Company shall be delivered or forwarded to the Company at Medical Discoveries, Inc. c/o Sunhaven Farms 30103 West Gwinn Road, Prosser, WA 99350 (Facsimile No. 509/786-2010), or to such other address or number as shall have been furnished to Holder in writing by the Company or to the Company by Holder, with copy to Troy Gould PC, 1801 Century Park East, Suite 1600, Los Angeles, CA 90067, Attention: Istvan Benko, Esq. (Facsimile No. 310/789-1426).

5.2 All notices, requests and approvals required by this Warrant shall be in writing and shall be conclusively deemed to be given (i) when hand-delivered to the other party, (ii) when received if sent by facsimile at the address and number set forth above; provided that notices given by facsimile shall not be effective, unless either (a) a duplicate copy of such facsimile notice is promptly given by depositing the same in the mail, postage prepaid and addressed to the party as set forth below or (b) the receiving party delivers a written confirmation of receipt for such notice by any other method permitted under this paragraph; and further provided that any notice given by facsimile received after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed received on the next business day; (iii) five (5) business days after deposit in the United States mail, certified, return receipt requested, postage prepaid, and addressed to the party as set forth below; or (iv) the next business day after deposit with an international overnight delivery service, postage prepaid, addressed to the party as set forth below with next business day delivery guaranteed; provided that the sending party receives confirmation of delivery from the delivery service provider.

5.3 No Rights as Shareholder; Limitation of Liability. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the terms hereof. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

5.4 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California, without giving effect to the conflict of law principles thereof.

5.5 Binding Effect on Successors. This Warrant shall be binding upon any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets and/or securities. All of the obligations of the Company relating to the Shares issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant. All of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

5.6 Waiver, Amendments and Headings. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (either generally or in a particular instance and either retroactively or prospectively). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof.

5.7 Jurisdiction. Each of the parties irrevocably agrees that any and all suits or proceedings based on or arising under this Agreement may be brought only in and shall be resolved in the federal or state courts located in the City of Los Angeles, California and consents to the jurisdiction of such courts for such purpose. Each of the parties irrevocably waives the defense of an inconvenient forum to the maintenance of such suit or proceeding in any such court. Each of the parties further agrees that service of process upon such party mailed by first class mail to the address set forth in Section 5.1 shall be deemed in every respect effective service of process upon such party in any such suit or proceeding. Nothing herein shall affect the right of a Holder to serve process in any other manner permitted by law. Each of the parties agrees that a final non-appealable judgment in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner.

5.8 Attorneys' Fees and Disbursements. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party or parties shall be entitled to receive from the other party or parties reasonable attorneys' fees and disbursements in addition to any other relief to which the prevailing party or parties may be entitled.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this 7th day of September, 2007.

COMPANY:

MEDICAL DISCOVERIES, INC.

By _____

Print Name: David R. Walker

Title: Chairman of the Board of Directors

SCHEDULE A

FORM OF NOTICE OF EXERCISE

[To be signed only upon exercise of the Warrant]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby elects to purchase _____ shares of Common Stock (the "***Shares***") of MultiCell Technologies, Inc. under the Warrant to Purchase Common Stock dated September 7, 2007, which the undersigned is entitled to purchase pursuant to the terms of such Warrant. The undersigned has delivered $_____, the aggregate Warrant Price for _____ Shares purchased herewith, in full in cash or by certified or official bank check or wire transfer.

Please issue a certificate or certificates representing such shares of Common Stock in the name of the undersigned or in such other name as is specified below and in the denominations as is set forth below:

_____

[Type Name of Holder as it should appear on the stock certificate]

_____

[Requested Denominations - if no denomination is specified, a single certificate will be issued]

The initial address of such Holder to be entered on the books of Company shall be:

_____

_____

_____

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for his own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

By: _____

Print Name: _____

Title: _____

Dated: _____

FORM OF ASSIGNMENT
(ENTIRE)

[To be signed only upon transfer of entire Warrant]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ all rights of the undersigned under and pursuant to the within Warrant, and the undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of _____ _____, with full power of substitution.

_____

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond exactly to the name as written upon the face of the within Warrant, without alteration or enlargement or any change whatsoever.

Exhibit 10.2

SERVICES AGREEMENT

This Services Agreement (the "Agreement") is entered into this 7th day of September, 2007 between Mobius Risk Group, LLC; a Texas Limited Liability Company having its principal place of business at Three Riverway, Suite 1700, Houston, Texas, 77056 ("Mobius") and Medical Discoveries, Inc. (the "Company"); a Utah Corporation having its principal place of business at 1338 South Foothill Drive # 266, Salt Lake City, Utah 84108.

WHEREAS the Company desires obtaining certain professional services more particularly described herein from Mobius and, to this end, engaging the services of Mobius;

AND WHEREAS the parties seek to enter into a formal Services Agreement which will include final terms and conditions set forth in a definitive agreement;

AND WHEREAS the parties set forth here in writing the basis of their relationship to clearly affect the supply and purchase of such services;

NOW THEREFORE in consideration of the premises and of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

Scope of Work

The Company is currently engaged in and developing a business to grow, produce, manufacture, and sell seed oils; including but not necessarily limited to seed oil produced from the seed of the Jatropha plant (*Jatropha Curcas)*, for the purpose of providing feedstock oil intended for the production of methyl ester, otherwise known as biodiesel, as either a fuel or industrial solvent; along with other related byproduct commodities including seed meal and plant-based biomass.

In support of the Company's stated objectives, Mobius will perform the following tasks:

1. Trait Selection & Propagation Research Program. On behalf of the Company, Mobius will manage and supervise a research and development (R&D) program contracted by the Company and conducted by the University of Texas Pan American (UTPA) regarding location, characterization, and optimal economic propagation of the *Jatropha Curcas* species. The research and development program will be aimed at achieving the following tasks:
    a. Location of native Mexican, Caribbean & Central American stands of Jatropha for the purpose of harvesting and collecting seeds and stems for R&D and bulk collection purposes,
    b. Identification of national and international 3rd-party sources of Jatropha seed & stem samples and the acquisition of said samples for R&D and bulk collection purposes,
    c. Consulting assistance in the Company's rapid seed & specimen collection and planting in Texas, Mexico, the Caribbean and Central America production nurseries, and

d. Initiation and completion of greenhouse & field studies aimed at assessing and augmenting,
    i. Seedling maturation rates,
    ii. Seed production rates, and
    iii. Seed oil content

2. Growing Operations Start-Up Program. Mobius will manage and supervise the creation, planning, construction, and start-up of plant nurseries and seed production plantations in two geographical areas that may include either South Texas, the Yucatan Peninsula of Mexico (Merida), the Caribbean or Central America. The specific two geographic areas of operations will be selected by the Company. Nursery operations are intended to support the start-up of two (2) plantations of approximately 1,000-Hectares (Ha) each. Mobius will manage and supervise activities in the selected geographic areas, as well as the contractors and consultants selected and contracted by the Company to perform the following tasks:
    a. Growing Operations – Nursery Start-Up
        i. Identification of potential plant nursery sites and assistance with final site selections, and;
        ii. Preparation and documentation of plant nursery site designs & logistics plans, and;
        iii. Nursery sites land clearing and construction & operations set-ups, and;
        iv. Harvesting of native Jatropha bulk seeds and stems and transferring to and planting at nurseries, and;
        v. Negotiating, purchasing, and transferring 3rd party bulk seeds & stem stock and transferring to and planting at nurseries, and;
        vi. Management of nursery operations from start-up through transfer of established seedlings or cuttings to production fields.
    b. Growing Operations – Nursery-to-Farm Operations
        i. Identification & location of potential sites for production scale farms with final site selections, and;
        ii. Preparation and documentation of planting, cultivation, and harvesting strategies, including a logistics plan for transferring seeds to a central collection and seed oil production site, and;
        iii. Selection of farm sites and negotiation of land leases/purchases and/or farm contracts, and;
        iv. Management of training, land preparation, and seedling & cutting transplantation from nurseries to farms, and;
        v. Oversight of cultivation and farming operations from initial plantation start-up through completed transfer of established seedlings or cuttings to production fields (two plantations of 1,000-Ha each).

Term of Engagement

The Scope of Work will begin on or about August __, 2007. The Trait Selection & Propagation Research and the Growing Operations Start-Up Programs are expected to proceed for twelve months, or until August __, 2008. The term of this Agreement, therefore, will proceed for a period of twelve months or until completion of the Scope of Work, whichever is sooner. The Agreement will automatically renew for successive periods of six (6) months each, unless notified by either party at least sixty (60) days prior to the end of the initial term or any renewal terms. Notwithstanding the foregoing, this Agreement may be terminated for cause by either party should: (i) the other party materially breach this Agreement and the other party does not cure such breach within thirty (30) days after receipt of written notice from the nonbreaching party, or (ii) due to lack of adequate funding which is not cured within thirty (30) days after receipt of written notice from the party desiring to terminate this Agreement.

Positions and Duties

During the Term, and consistent with the Scope of Work provided above, Mobius shall utilize commercially reasonable efforts to provide certain staff to serve in management and operations roles as requested by the Company, or alternatively, at Mobius' election, to provide services as an independent contractor that are associated with the following roles. These roles may include Chief Operating Officer, Chief Risk Officer, Vice-President Business Development, Risk Manager, Project Developer, Project Manager or other staff that Mobius is qualified to provide and may be reasonably requested by the Company. During the Term, Mobius shall render such administrative, risk and other executive and managerial services to the Company and its affiliates consistent with Mobius' positions and the by-laws of the Company and as the Chief Executive Officer or President or the Board of Directors of the Company may from time to time reasonably direct. Mobius shall also have the right to designate a person to serve on the Board of Directors as a director of the Company or such subsidiaries of the Company as may from time to time be designated by the Board.

During the Term, Mobius shall report to the Chief Executive Officer or the President of the Company, and shall devote its commercially reasonable efforts to the business and affairs of the Company. Mobius shall perform its duties, responsibilities and functions to the Company hereunder to the best of his abilities in a diligent, trustworthy, professional and efficient manner and shall comply with the Company's policies and procedures in all material respects. In performing its duties and exercising its authority under this Agreement, Mobius shall support and implement the business and strategic plans approved from time to time by the Board of the Company, and directed by the CEO or the President of the Company, and shall support and cooperate with the Company's efforts to operate in conformity with the business and strategic plans approved by the Board of the Company.

Fees and Payment Terms

Mobius will execute the Scope of Work described above for a fixed monthly retainer fee of $45,000 per month. Monthly retainer fees are payable one month in advance of services, with the first month's fee payable upon execution of this Agreement. Subsequent payments of monthly retainer fees are due and payable on or before the 20th of the succeeding month.

Expenses

During the Services Period, the Company shall reimburse Mobius for all reasonable pre-approved business expenses incurred during the course of performing its obligations under this Agreement. "Reimbursable Expenses" means all pre-approved reasonable costs and expenses for copy and reproduction, delivery, travel out of area, mileage, lodging, meals, and other project-related incidental costs, or as otherwise determined beforehand by Company and provided to Mobius in writing. Mobius will exercise its commercially reasonable efforts to minimize project expenses consistent with its obligations under this Agreement. All Reimbursable Expenses are payable within 30 days of invoice. Notwithstanding the foregoing, in no cases shall Reimbursable Expenses exceed more than $10,000 per month during the term of this Agreement, unless agreed to in writing by the Company prior to the expenses being incurred.

Confidentiality

Mobius and Company each recognize that, during the course of the Term, each of them may have access to, and that there may be disclosed to them, information of a proprietary nature owned by the other party, including but not limited to records, supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to such party (the "Confidential Information"). Mobius and Company each acknowledge that except for this Agreement, and the Services to be provided hereunder, either party would not have had and would not have access to such Confidential Information, and Mobius and Company each agree that any and all confidential knowledge or Confidential Information which may have been or may be obtained by or disclosed to them hereunder, including but not limited to the information hereinabove set forth, will be held confidential by each of them, that each of them will use reasonable efforts to conceal the same from any and all other persons, including but not limited to their competitors. Notwithstanding anything in this Agreement to the contrary, however, Confidential Information shall not include information which is (i) in or becomes part of the public domain other than by disclosure by such party in violation of this Agreement, (ii) demonstrably known to such party previously without an obligation of confidentiality, (iii) can be demonstrated by such party to have been independently developed by such party outside of this Agreement and not constituting an infringement of any intellectual property rights, trade secrets or other proprietary interest, or (iv) rightfully obtained by such party from third parties without an obligation of confidentiality.

Notwithstanding anything to the contrary, Mobius shall continue to be the sole and exclusive owner of its technical know-how and expertise outside of the Scope of Work set forth in this Agreement, and may utilize such technical know-how and expertise for and on behalf of itself or third parties, and the Company shall have no claims with respect thereto. The Company shall not utilize any of such technical know-how or expertise except for its own intended purposes and will not compete with Mobius in providing the services provided by Mobius hereunder for compensation for a time period of five (5) years after termination of this Agreement. The Company shall own all Mobius technical know-how directly related to the Scope of Work and shall be able to utilize such technical know-how and expertise for and on behalf of itself or third parties, and Mobius shall have no claims with respect thereto. Mobius shall not utilize any of such technical know-how or expertise except for its own intended purposes and will not compete with Company by providing to any third party the services set forth in the Scope of Work for a time period of eighteen (18) months after termination of this Agreement. Mobius shall make prompt written disclosure to Company of all inventions, improvements, discoveries, copyrightable works, or other intellectual property, whether or not patentable or copyrightable, which are made, conceived, reduced to practice, or developed by Mobius, whether solely or jointly with others, during the course of performing consulting services under this Agreement or from any information obtained by Mobius in discussions and meetings with employees or other consultants of Company. Furthermore, Mobius hereby assigns, and agrees to assign, all of Mobius' rights, titles, and interests in such inventions, improvements, discoveries, copyrightable works, and other intellectual property as it relates to biofuels feedstock research, development, implementation, transportation and/or processing

Independent Contractor

Nothing contained herein shall be construed as causing the parties to be partners, co-owners or joint venturers. It is agreed by the parties that Mobius is an independent contractor performing services for Company.

Governing Law

This Agreement shall be construed according to and governed by the laws of the State of Texas. Any disputes under this Agreement shall be tried exclusively in the state or federal courts located in Harris County, Texas.

Notices

Any notice required by this Agreement or given in connection with it, shall be in writing and shall be provided to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services;

If to First Party:

Mobius Risk Group LLC
Three Riverway, Suite 1700
Houston, TX 77056
Attention: Casey Ragsdale
Telefax: (713) 877-0405

If to Second Party:

Medical Discoveries, Inc.
c/o Sunhaven Farms
30103 West Gwinn Road
Prosser, WA 99350
Attention: Chairman of the Board, David R. Walker

Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

Headings

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

Drafting

In the event of any ambiguity in this Agreement, such ambiguity shall not be construed against the drafter.

Waiver

No failure or delay on the part of either party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof.

Attorneys' Fees and Costs

If any party to this Agreement files a court action to enforce or interpret that party's rights under this Agreement or in connection with any matter arising from this Agreement, then the party deemed to be the prevailing party in that action shall be entitled to recover its/his costs of suit, including expert witness fees, and reasonable attorneys' fees incurred in connection with that action.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

THIS PORTION OF PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGES FOLLOW

Mobius Risk Group, LLC

By: _____ Date: _____

Eric J. Melvin
Chief Executive Officer

Medical Discoveries, Inc.

By: _____ Date: _____

David R. Walker
Chairman of the Board

Exhibit 10.3

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 1st day of September, 2007 (the "Effective Date"), by and between Medical Discoveries, Inc., a Utah corporation (the "Company"), and Richard Palmer (hereinafter, "Executive," and collectively with the Company, the "Parties").

W I T N ES S E TH:

WHEREAS, the Company desires to change its business from being a biopharmaceutical company engaged in the development of drug candidates to becoming a company engaged in the production and distribution of renewable energy products; and

WHEREAS, Executive and Mobius Risk Group, LLC; a Texas Limited Liability Company ("Mobius"), are the owners of all of the outstanding membership interest of Global Clean Energy Holdings LLC ("Global"), a Delaware limited liability company that owns certain rights and intellectual properties related to the production and distribution of renewable energy products; and

WHEREAS, concurrently with the execution of this Agreement, the Company, Executive and Mobius are completing the purchase by the Company of all of the equity and ownership interests in Global from Executive and Mobius (the "Acquisition"); and

WHEREAS, Executive has expertise in the development of certain renewable energy products and businesses; and

WHEREAS, in connection with the Acquisition, the Company desires to employ Executive, and Executive desires to accept such employment with the Company.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

EMPLOYMENT; TERM; DUTIES

1.1 Employment. Pursuant to the terms and conditions hereinafter set forth, the Company hereby employs Executive, and Executive hereby accepts employment, as President and Chief Operating Officer ("COO") of the Company. Executive shall initially serve as President and COO of the Company until the resignation or termination of Judy Robinette, currently the Company's Chief Executive Officer (the "Existing CEO"). Upon the resignation or termination of the Existing CEO, Executive shall automatically assume the additional position of Chief Executive Officer of the Company.

1.2 Existing CEO. The Existing CEO has agreed to continue to serve as the Company's Chief Executive Officer until the Company's periodic reports related to the Company's prior biopharmaceutical operations have been prepared and filed with the Securities and Exchange Commission ("SEC"), and has agreed to resign immediately following the filing with the SEC of the last of the following periodic reports that the Company: (i) the annual report on Form 10-KSB for the fiscal year ending December 31, 2006, and (ii) the quarterly reports on Form 10-QSB for the periods ending March 31, 2007 and June 30, 2007. Notwithstanding the foregoing, if the Existing CEO resigns or is terminated at any time prior to or after the filing of the foregoing periodic reports with the SEC, Executive shall assume the position of the Company's CEO immediately upon such other resignation or termination.

1.3 Term. Unless otherwise terminated earlier in accordance with the provisions of this Agreement, Executive's employment with the Company shall commence on the Effective Date, and shall continue for a period of three (3) years from the Effective Date (the "Initial Employment Term"). Upon expiration of the Initial Employment Term, the Term shall automatically renew for successive one-year periods every year thereafter ("Successive Terms") on the same terms and conditions set forth herein unless either Party provides the other with written notice of its intention not to renew the Term at least ninety (90) days prior to the end of the then-current term.

1.4 Duties and Responsibilities. Executive shall perform such administrative, managerial and executive duties for the Company (and its subsidiaries if and when directed by the Board of Directors of the Company (the "Board")) as are prescribed by applicable job specifications for the President and COO (and CEO at such time Executive assumes such position) and the Bylaws of the Company, such tasks and responsibilities as are customarily vested in and incidental to such positions, and such other duties, consistent with the Company's Bylaws, as may be assigned to him from time to time by the Board.

1.5 Exclusive Employment. Executive agrees to devote the necessary amount of Executive's business time, energy and efforts to the business of the Company (and its subsidiaries if and when directed by the Board), and to use Executive's best efforts and abilities faithfully and diligently to promote the business interests of the Company (and its subsidiaries if and when directed by the Board).

1.6 Other Obligations - The Company and Executive acknowledge that Executive is currently a shareholder and/or Director and/or Officer of several other businesses, including Mobius, JTBH Investments, Inc., a California corporation and Creative Lighting, LLC a Florida LLC. It is also understood and agreed that Executive may be retained from time to time on a limited basis to render an opinion or provide other strategic advice for other companies which will not conflict with his duties as Executive of the Company (hereinafter "Other Positions"). Executive represents that his obligations to the Other Positions will not impinge on his duties and obligations to Company under this Employment Agreement.

1.7 Board of Directors. As of the Effective Date of this Agreement, Executive is hereby appointed as a member of the Board, to serve until the next election of directors by the Company's shareholders. Thereafter, provided that Executive is still employed hereunder, the Board shall nominate Executive to be elected to serve on the Board at each meeting of the Company's shareholders held during the Term to elect directors, consistent with the provisions of Bylaws and Articles of Incorporation of the Company, as amended and in effect from time to time.

1.8 Indemnification and Insurance. The Company agrees to maintain directors' and officers' liability insurance covering the Executive for services rendered to the Company (and its subsidiaries if and when directed by the Board) while Executive is a director or officer of the Company. The Company will procure a Directors and Officers Insurance Tail Policy in the amount of no less than Five Million Dollars ($5,000,000) insuring past actions of the Company's director and officers through the Effective Date, and a Product Liability Insurance Tail in the amount of no less than Five Million Dollars ($5,000,000) for any past product development through the Effective Date for any legal claims that may arise.

1.9 Covenants of Executive

1.9.1 Best Efforts. Executive shall report directly to the Board and shall devote his best efforts to the business and affairs of the Company (and its subsidiaries if and when directed by the Board). Executive shall perform his duties, responsibilities and functions to the Company hereunder to the best of his abilities in a diligent, trustworthy, professional and efficient manner and shall comply, in all material respects, with all rules, regulations of the Company (and special instructions of the Board, if any) and all other rules, regulations, guides, handbooks, procedures and policies applicable to the Company and its business in connection with his duties hereunder.

1.9.2 Records. Executive shall use his best efforts and skills to truthfully, accurately, and promptly prepare, maintain, and preserve all records and reports that the Company may, from time to time, request or require, fully account for all money, records, equipment, materials, or other property belonging to the Company of which he may have custody, and promptly pay and deliver the same whenever he may be directed to do so by the Board.

1.9.3 Compliance. Executive shall use his best efforts to maintain the Company's compliance with all SEC rules, regulations and reporting requirements for publicly traded companies, including, without limitation, overseeing, and preparing and filing with the SEC all periodic reports the Company is required to file under the Act and the Exchange Act of 1934 (as amended, the "Exchange Act"). Executive shall at all times comply, and cause the Company to comply, with the then-current good corporate governance standards and practices as prescribed by the SEC, any exchange on which the Company's capital stock or other securities may be traded and any other applicable governmental entity, agency or organization.

1.9.4 Code of Conduct. For such period as when Executive is employed hereunder, Executive shall at all times conduct himself with the highest ethical standards, and shall at all times adhere to Code of Conduct attached hereto as Exhibit A or such other code of ethics that the Company may, from time to time, adopt.

1.9.5 Opportunities. The Executive shall make available to the Company and present to the Board all business opportunities of which he becomes aware, which are relevant to the business of the Company (and its subsidiaries), and to no other person or entity or to himself individually, including, without limitation, Mobius or any affiliate thereof.

ARTICLE II

COMPENSATION AND OTHER BENEFITS

2.1 Base Salary. For the duration of the Term, for all services rendered by Executive hereunder and all covenants and conditions undertaken by the Parties pursuant to this Agreement, the Company shall pay, and Executive shall accept, as compensation, an annual base salary ("Base Salary") of $250,000. The Base Salary shall be payable in regular installments in accordance with the normal payroll practices of the Company, in effect from time to time, but in any event no less frequently than on a monthly basis. Beginning on the first anniversary of the commencement of Executive's employment with the Company, and on each anniversary thereafter during the Term, the Base Salary shall be increased by the amount of the Consumer Price Index ("CPI"), for the immediately prior 12-month period, as published in the Wall Street Journal.

2.2 Bonus Compensation. For each year during the Term, Executive will be eligible to earn an annual bonus (the "Bonus"), which Bonus shall be based on Executive's achievement of certain performance criteria established by the Compensation Committee of the Board ("Compensation Committee") and provided to Executive as soon as practicable following the commencement of each such year. The target amount of the Bonus for any given employment year, assuming that all of the target milestones are met, shall be an amount equal to one hundred percent (100%) of the Base Salary in effect for the applicable year. In connection with the award of any Bonus pursuant to this Section 2.2, Executive's performance will be reviewed by the Compensation Committee on no less than an annual basis. Notwithstanding anything herein to the contrary, the Parties hereby acknowledge and agree that the Compensation Committee shall, in accordance with NASDAQ rules and regulations for publicly traded companies, comprise independent directors of the Board only. In the event that the Company has not established a Compensation Committee, the independent directors of the Board shall establish the annual target amount of any Bonus to be awarded hereunder and shall determine whether the target milestones have been satisfied (directors appointed by, or affiliated with Mobius shall not be deemed to be independent for the purposes of this Agreement).

2.3 Incentive Option. Concurrently with the execution of this Agreement, the Company shall grant Executive an option (the "Incentive Option") to purchase 12,000,000 shares of the Company's common stock at an exercise price equal to the fair market price of the Company's common stock on the Effective Date. The Incentive Option shall vest according to the schedule set forth below, and will expire five (5) years after the date of grant:

2.3.1 When the Company's Market Capitalization reaches $75 million, the Incentive Option shall vest with respect to 6,000,000 shares (such shares, the "First Tranche") of the Company's common stock subject thereunder; and

2.3.2 When the Company's Market Capitalization reaches or exceeds $120 million, the Incentive Option shall vest with respect to the remaining 6,000,000 (such shares, the "Second Tranche") shares of the Company's common stock subject thereunder.

For purposes of the Agreement, the term "Market Capitalization" shall mean the product of the number of shares of common stock issued and outstanding at the time Market Capitalization is calculated, multiplied by the average closing price of the common stock for the thirty (30) consecutive trading days prior to the date of calculation of Market Capitalization as reported on the principal securities trading system on which the Company's common stock is then listed for trading, including the Pink Sheets, the NASDAQ Stock Market, the OTC Bulletin Board, or any other applicable stock exchange.

2.4 Business Expenses. During the Initial Term and all Successive Terms thereafter, the Company shall reimburse Executive for all reasonable, out-of-pocket business expenses incurred in the performance of his duties hereunder consistent with the Company's policies and procedures, in effect from time to time, with respect to travel, entertainment and other business expenses customarily reimbursed to senior executives of the Company in connection with the performance of their duties on behalf of the Company. Such reimbursement shall be made by Company to Executive no later than fifteen (15) days after submission of written expense reports by Executive to Company.

2.5 Other Benefits. During the term of Executive's employment with the Company, Executive shall be entitled to the following benefits:

2.5.1 Executive shall be entitled to participate in the Company's employee stock option plan, life, health, accident, disability insurance plans, pension plans and retirement plans, in effect from time to time, to the extent and on such terms and conditions as the Company customarily makes such plans available to its senior executives; and

2.5.2 Executive shall be entitled to receive coverage for services rendered to the Company (and its subsidiaries if and when directed by the Board) while Executive is a director or officer of the Company under any director and officer liability insurance policy(s) maintained by the Company from time to time; and

2.5.3 Company shall pay on behalf of Executive the full cost of Executive's and Executive's family health insurance plan. Until a Company plan is established, or a replacement plan is put in place, the Company shall pay Executive's COBRA policy premium up to $1,000 per month provided through Mobius.

2.6 Vacation. Executive shall be entitled to four (4) weeks vacation time each calendar year with full pay.

2.7 Withholding. The Company may deduct from any compensation payable to Executive (including payments made pursuant to this Article II or in connection with the termination of employment pursuant to Article III of this Agreement) amounts sufficient to cover Executive's share of applicable federal, state and/or local income tax withholding, social security payments, state disability and other insurance premiums and payments.

ARTICLE III

TERMINATION OF EMPLOYMENT

3.1 Termination of Employment

Executive's employment pursuant to this Agreement shall terminate on the earliest to occur of the following:

3.1.1 upon the death of Executive;

3.1.2 upon the delivery to Executive of written notice of termination by the Company if Executive shall suffer a physical or mental disability which renders Executive, in the reasonable judgment of the Board, unable to perform his duties and obligations under this Agreement for either 90 consecutive days or 180 days in any 12-month period; or

3.1.3 upon the expiration of the Initial Term (or, if the Initial Term has been extended, upon the expiration of the then-current Successive Term); or

3.1.4 upon delivery to Executive of written notice of termination by the Company for Cause; or

3.1.5 upon delivery of written notice from Executive to the Company for Good Reason.

3.2 Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

3.2.1 In connection with Paragraph 3.1 herein, "Cause" shall mean any of the following:

(a) Executive materially breaches any obligation, duty, or covenant under this Agreement, which breach is not cured or corrected within thirty (30) days of receipt by Executive of written notice thereof from the Company (except for breaches of Article IV of this Agreement, which cannot be cured and for which the Company need not give any opportunity to cure); or

(b) Executive commits any act of misappropriation of funds or embezzlement; or

(c) Executive commits any act of fraud; or

(d) Executive is convicted of, or pleads guilty or *nolo contendere* to any charge of theft, fraud, a crime involving moral turpitude, or a felony under federal or state law; or

(e) Executive breaches the Company's Code of Conduct attached hereto as Exhibit A or code of ethics as in effect from time to time.

3.2.2 In connection with Paragraph 3.1 herein, "Good Reason" shall mean: (a) without Executive's consent, the Company changes Executive's position or duties to such an extent that his duties are no longer consistent with the positions of President and COO or President and CEO of the Company, or (b) Company materially breaches any term of this Agreement which breach continues uncured following thirty (30) days written notice by Executive to the Company of such breach.

3.2.3 "Termination Date" shall mean the date on which Executive's employment with the Company hereunder is terminated.

3.3 Effect of Termination

3.3.1 If Executive's employment is terminated by Executive for Good Reason or by Company other than for Cause, Executive shall be entitled to the following (the "Severance Payments"):

(a) The Company shall pay Executive an amount equal to one (1) times Executive's then-current Base Salary plus fifty percent (50%) of the target Bonus in effect on the Termination Date; and

(b) Any stock options granted to Executive pursuant to Section 2.5.1 hereof (excluding the Incentive Option) shall fully vest, to the extent not already vested.

At such time when Executive's employment with the Company is terminated, and as a condition to Executive's right to receive any benefits pursuant to this Section 3.3.1, the Executive shall execute and deliver to the Company a written release in a form mutually acceptable to the Company and Executive.

3.3.2 Notwithstanding the reason for termination of Executive's employment, Executive shall be entitled to:

(a) all benefits payable under applicable benefit plans in which Executive is entitled to participate pursuant to Section 2.5 hereof through the Termination Date, subject to and in accordance with the terms of such plans; and

(b) any accrued but unused vacation earned by Executive through the Termination Date pursuant to Section 2.6 hereof, paid out in accordance with legal requirements; and

(c) reimbursement for any business expenses incurred by Executive prior to Termination Date in accordance with Section 2.4 of this Agreement.

3.3.3 If Executive's employment is terminated for death, disability, by Executive other than for Good Reason or by the Company for Cause, Executive shall be entitled to no severance or other post-employment benefits (including, without limitation, the Severance Payments) except as provided in Section 3.3.2 of this Agreement.

3.3.4 Notwithstanding anything herein to the contrary, if Executive's employment hereunder terminates prior to the vesting of all or any portion of the Incentive Option granted pursuant to Section 2.3 hereof, then:

(a) in the event the Company's Market Capitalization reaches or exceeds $75 million at any time within 60 days following the Termination Date, the Incentive Option shall vest with respect to the First Tranche of shares; and,

(b) in the event the Company's Market Capitalization reaches or exceeds $120 million at any time within 60 days following the Termination Date, the Incentive Option shall vest with respect to the Second Tranche of shares.

For purposes of this Section 3.3.4, "Market Capitalization" as used herein shall mean the product of (i) the number of shares of Common Stock issued and outstanding at the time Market Capitalization is calculated multiplied by (ii) the average closing price of the Common Stock for any Trading Day occuring within 60 days of Executive's termination as reported on the Trading Market; "Trading Market" shall mean the principal securities trading system on which the Common Stock is then listed or admitted for trading, including the Pink Sheets, the NASDAQ Stock Market, the OTC Bulletin Board, or any other applicable stock exchange; and "Trading Day" shall mean any day on which such Trading Market is open for trading. On any Trading Day in which there are no transactions in the Common Stock, the Common Stock shall be deemed to have been traded at the price and volume of the last previous Trading Day on which there was a transaction.

3.3.5 Executive hereby acknowledges that in the event of termination of his employment for any reason, Executive shall not be entitled to any severance, payment or other compensation from the Company except as specifically provided in this Section 3.3.

ARTICLE IV

INVENTIONS; CONFIDENTIAL/TRADE SECRET INFORMATION AND RESTRICTIVE COVENANTS

4.1 Inventions. All processes, technologies and inventions relating to the business of the Company (and its subsidiaries) (collectively, "Inventions"), including new contributions, improvements, ideas, discoveries, trademarks and trade names, conceived, developed, invented, made or found by the Executive, alone or with others, during his employment by the Company, whether or not patentable and whether or not conceived, developed, invented, made or found on the Company's time or with the use of the Company's facilities or materials, shall be the property of the Company and shall be promptly and fully disclosed by Executive to the Company. The Executive shall perform all necessary acts (including, without limitation, executing and delivering any confirmatory assignments, documents or instruments requested by the Company) to assign or otherwise to vest title to any such Inventions in the Company and to enable the Company, at its sole expense, to secure and maintain domestic and/or foreign patents or any other rights for such Inventions.

4.2 Confidential/Trade Secret Information/Non-Disclosure.

4.2.1 Confidential/Trade Secret Information Defined. During the course of Executive's employment, Executive will have access to various Confidential/Trade Secret Information of the Company and information developed for the Company (including information developed by Mobius in its capacity as a consultant to the Company). For purposes of this Agreement, the term "Confidential/Trade Secret Information" is information that is not generally known to the public and, as a result, is of economic benefit to the Company in the conduct of its business, and the business of the Company's subsidiaries. Executive and the Company agree that the term "Confidential/Trade Secret Information" includes but is not limited to all information developed or obtained by the Company, including its affiliates, and predecessors, and comprising the following items, whether or not such items have been reduced to tangible form (e.g., physical writing, computer hard drive, disk, tape, etc.): all methods, techniques, processes, ideas, research and development, product designs, engineering designs, plans, models, production plans, business plans, add-on features, trade names, service marks, slogans, forms, pricing structures, menus, business forms, marketing programs and plans, layouts and designs, financial structures, operational methods and tactics, cost information, the identity of and/or contractual arrangements with suppliers and/or vendors, accounting procedures, and any document, record or other information of the Company relating to the above. Confidential/Trade Secret Information includes not only information directly belonging to the Company which existed before the date of this Agreement, but also information developed by Executive for the Company, including its subsidiaries, affiliates and predecessors, during the term of Executive's employment with the Company. Confidential/Trade Secret Information does not include any information which (a) was in the lawful and unrestricted possession of Executive prior to its disclosure to Executive by the Company, its subsidiaries, affiliates or predecessors, (b) is or becomes generally available to the public by lawful acts other than those of Executive after receiving it, or (c) has been received lawfully and in good faith by Executive from a third party who is not and has never been an executive of the Company, its subsidiaries, affiliates or predecessors, and who did not derive it from the Company, its subsidiaries, affiliates or predecessors.

4.2.2 Restriction on Use of Confidential/Trade Secret Information. Executive agrees that his/her use of Confidential/Trade Secret Information is subject to the following restrictions for an indefinite period of time so long as the Confidential/Trade Secret Information has not become generally known to the public:

(a) Non-Disclosure. Executive agrees that he will not publish or disclose, or allow to be published or disclosed, Confidential/Trade Secret Information to any person without the prior written authorization of the Company unless pursuant to or in connection with Executive's job duties to the Company under this Agreement.

(b) Non-Removal/Surrender. Executive agrees that he will not remove any Confidential/Trade Secret Information from the offices of the Company or the premises of any facility in which the Company is performing services, except pursuant to his duties under this Agreement. Executive further agrees that he shall surrender to the Company all documents and materials in his possession or control which contain Confidential/Trade Secret Information and which are the property of the Company upon the termination of this Agreement, and that he shall not thereafter retain any copies of any such materials.

4.2.3 Prohibition Against Unfair Competition/ Non-Solicitation of Customers. Executive agrees that at no time after his employment with the Company will he engage in competition with the Company while making any use of the Confidential/Trade Secret Information, or otherwise exploit or make use of the Confidential/Trade Secret Information. Executive agrees that during the twelve month period following the Termination Date, he will not directly or indirectly accept or solicit, in any capacity, the business of any customer of the Company with whom Executive worked or otherwise had access to the Confidential/Trade Secret Information pertaining to the Company's business with such customer during the last year of Executive's employment with the Company, or solicit, directly or indirectly, or encourage any of the Company's customers or suppliers to terminate their business relationship with the Company, or otherwise interfere with such business relationships.

4.3 Non-Solicitation of Employees. Employee agrees that during the twelve month period following the Termination Date, he shall not, directly or indirectly, solicit, directly or indirectly, or otherwise encourage any employees of the Company to leave the employ of the Company, or solicit, directly or indirectly, any of the Company's employees for employment.

4.4 Non-Solicitation During Employment. During his employment with the Company, Executive shall not: (a) interfere with the Company's business relationship with its customers or suppliers, (b) solicit, directly or indirectly, or otherwise encourage any of the Company's customers or suppliers to terminate their business relationship with the Company, or (c) solicit, directly or indirectly, or otherwise encourage any employees of the Company to leave the employ of the Company, or solicit any of the Company's employees for employment.

4.5 Conflict of Interest. During Executive's employment with the Company, Executive must not engage in any work, paid or unpaid, that creates an actual conflict of interest with the Company.

4.6 Breach of Provisions. If Executive breaches any of the provisions of this Article IV, or in the event that any such breach is threatened by Executive, in addition to and without limiting or waiving any other remedies available to the Company at law or in equity, the Company shall be entitled to immediate injunctive relief in any court, domestic or foreign, having the capacity to grant such relief, to restrain any such breach or threatened breach and to enforce the provisions of this Article IV.

4.7 Reasonable Restrictions. The Parties acknowledge that the foregoing restrictions, as well as the duration and the territorial scope thereof as set forth in this Article IV, are under all of the circumstances reasonable and necessary for the protection of the Company and its business.

4.8 Special Definition. For purposes of this Article IV, the term "Company" shall be deemed to include any subsidiary of the Company.

ARTICLE V

MISCELLANEOUS

5.1 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, heirs, distributees, successors and assigns. Executive may not assign any of his rights and obligations under this Agreement. The Company may assign its rights and obligations under this Agreement to any successor entity.

5.2 Notices. Any notice provided for herein shall be in writing and shall be deemed to have been given or made (a) when personally delivered or (b) when sent by telecopier and confirmed within 48 hours by letter mailed or delivered to the party to be notified at its or his/hers address set forth herein; or three (3) days after being sent by registered or certified mail, return receipt requested, (or by equivalent currier with delivery documentation such as FEDEX or UPS) to the address of the other party set forth or to such other address as may be specified by notice given in accordance with this section 5.2:

If to the Company:	Medical Discoveries, Inc. c/o Sunhaven Farms 30103 West Gwinn Road Prosser, WA 99350 Telephone: (509) 786-1013 Attention: David R. Walker
With a copy (which shall not constitute notice) to:	Troy & Gould 1801 Century Park East, 26th Floor Los Angeles, CA 90067 Attention: Istvan Benko, Esq. Telecopy No.: (310) 789-1490
If to Executive:	Richard Palmer 3806 Newton Street Torrance, CA 90505 Telephone: (310) 378-8529 Facsimile: (310) 378-7620
With a copy (which shall not constitute notice) to:	Eileen Darroll, Esq. Palmer Darroll Law Offices 2940 Westwood Blvd, 2nd Floor Los Angeles, CA 90064 Tele: (310)474-2193 Fax: (310)474-5151

5.3 Severability. If any provision of this Agreement, or portion thereof, shall be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall attach only to such provision or portion thereof, and shall not in any manner affect or render invalid or unenforceable any other provision of this Agreement or portion thereof, and this Agreement shall be carried out as if any such invalid or unenforceable provision or portion thereof were not contained herein. In addition, any such invalid or unenforceable provision or portion thereof shall be deemed, without further action on the part of the parties hereto, modified, amended or limited to the extent necessary to render the same valid and enforceable.

5.4 Waiver. No waiver by a party hereto of a breach or default hereunder by the other party shall be considered valid, unless expressed in a writing signed by such first party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature.

5.5 Entire Agreement. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof, and supersedes any and all prior agreements between the Company and Executive, whether written or oral, relating to any or all matters covered by and contained or otherwise dealt with in this Agreement. This Agreement does not constitute a commitment of the Company with regard to Executive's employment, express or implied, other than to the extent expressly provided for herein.

5.6 Amendment. No modification, change or amendment of this Agreement or any of its provisions shall be valid, unless in writing and signed by the Parties.

5.7 Authority. The Parties each represent and warrant that it/he has the power, authority and right to enter into this Agreement and to carry out and perform the terms, covenants and conditions hereof.

5.8 Attorneys' Fees. If either party hereto commences an arbitration or other action against the other party to enforce any of the terms hereof or because of the breach by such other party of any of the terms hereof, the prevailing party shall be entitled, in addition to any other relief granted, to all actual out-of-pocket costs and expenses incurred by such prevailing party in connection with such action, including, without limitation, all reasonable attorneys' fees, and a right to such costs and expenses shall be deemed to have accrued upon the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

5.9 Captions. The captions, headings and titles of the sections of this Agreement are inserted merely for convenience and ease of reference and shall not affect or modify the meaning of any of the terms, covenants or conditions of this Agreement.

5.10 Governing Law. This Agreement, and all of the rights and obligations of the Parties in connection with the employment relationship established hereby, shall be governed by and construed in accordance with the substantive laws of the State of California without giving effect to principles relating to conflicts of law.

5.11 Arbitration.

5.11.1 Scope. To the fullest extent permitted by law, Executive and the Company agree to the binding arbitration of any and all controversies, claims or disputes between them arising out of or in any way related to this Agreement, the employment relationship between the Company and Executive and any disputes upon termination of employment, including but not limited to breach of contract, tort, , constitutional claims; and any claims for violation of any local, state or federal law, statute, regulation or ordinance or common law, excluding any claim for wages under the California Labor Code ,or any claim relating to the Company's failure to pay wages. For the purpose of this agreement to arbitrate, references to "Company" include all subsidiaries or related entities and their respective executives, supervisors, officers, directors, agents, pension or benefit plans, pension or benefit plan sponsors, fiduciaries, administrators, affiliates and all successors and assigns of any of them, and this agreement to arbitrate shall only apply to them to the extent Executive's claims arise out of or relate to their actions on behalf of the Company.

5.11.2 Arbitration Procedure. To commence any such arbitration proceeding, the party commencing the arbitration must provide the other party with written notice of any and all claims forming the basis of such right in sufficient detail to inform the other party of the substance of such claims. In no event shall this notice for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations. The arbitration will be conducted in Los Angeles, California, by a single neutral arbitrator and in accordance with the then-current rules for resolution of employment disputes for Judicial Arbitration and Mediation Services ("JAMS"). The Arbitrator is to be selected by the mutual agreement of the Parties. If the Parties cannot agree, the Superior Court will select the arbitrator. The parties are entitled to representation by an attorney or other representative of their choosing. The arbitrator shall have the power to enter any award that could be entered by a judge of the trial court of the State of California, and only such power, and shall follow the law. The award shall be binding, and the Parties agree to abide by and perform any award rendered by the arbitrator. The arbitrator shall issue the award in writing, and therein state the essential findings and conclusions on which the award is based. Judgment on the award may be entered in any court having jurisdiction thereof. In the event Company initiates the arbitration proceeding, Company shall bear the total cost of the arbitration filing, hearing fees, and the cost of the arbitrator. In the event the Executive initiates the arbitration proceeding, the Executive shall bear the total cost of the arbitration filing, hearing fees, and the cost of the arbitrator.

5.12 Survival. The termination of Executive's employment with the Company pursuant to the provisions of this Agreement shall not affect Executive's obligations to the Company hereunder which by the nature thereof are intended to survive any such termination, including, without limitation, Executive's obligations under Article IV of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MEDICAL DISCOVERIES, INC.,
a Utah corporation

By: _____

Name: David R. Walker
Title: Chairman of the Board

_____

Richard Palmer

Exhibit 10.4

RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "Agreement") is entered into by and between JUDY M. ROBINETT, an individual ("Robinett") and MEDICAL DISCOVERIES, INC., a Utah corporation (hereinafter referred to as "MDI") on the following premises:

Premises

A**.** On or about April 1, 2005, Robinett and MDI entered into an employment agreement (the "Employment Agreement").

B. As of March 31, 2007, under the terms of the Employment Agreement, MDI owed Robinett approximately $1,851,804.93 in accrued and unpaid compensation, un-accrued and pro-rata bonuses, and severance pay.

C. The parties have raised issues respecting the amount due to Robinett and MDI's ability to pay such amount and desire to reach an agreement resolving such issues in order to facilitate anticipated financing for MDI. Accordingly, Robinett has agreed to accept in settlement of the amount owed a sum of $500,000.00, payable from proceeds from the sale of certain Formestane assets owned by MDI (the "Formestane Asset Sale") to Eucodis, a third party.

D. The parties desire to enter into a full and complete release and settlement with each other, compromising, resolving, and settling all matters between them and buying peace.

Agreement

NOW, THEREFORE, upon these premises, which are incorporated herein by reference, and for and in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is hereby agreed as follows:

1. Payment to Robinett. MDI agrees to pay Robinett the sum of $500,000, following MDI's closing of the Formestane Asset Sale and its receipt of the payment for such sale, subject to Robinett fulfilling the "Ongoing Duties" set forth in Section 5 herein. Robinett agrees that, with the exception of the payment described in this Section 1 and the compensation payable pursuant to Sections 5 and 6 hereof, she will not be owed any amounts by MDI under the Employment Agreement or otherwise for her services as an employee, director or consultant of MDI through the date of her resignation pursuant to Section 7, whether in the form of salary, bonus, vacation pay, sick pay or any other compensation or benefits, and MDI shall have no other obligation to provide or maintain any compensation or benefits for MDI after the date of her deemed resignation.

2. Timely Disbursal of Funds. In order to facilitate the timely transfer of funds on the closing of the Formestane Asset Sale, including MDI's receipt of at least $2,000,000 in cash (the "Formestane Closing"), Five Hundred Thousand dollars ($500,000.00) from the Formestane Closing shall be held in the Emmes Group's Client Trust account, and shall be disbursed to Robinett upon the fulfillment of the "Ongoing Duties" set forth in Section 5 herein. Such disbursal shall be affected by wire transfer of funds to such bank account or accounts as Robinette may specify to the Emmes Group in writing. In order to implement the foregoing, contemporaneously with the execution of this Agreement the parties shall execute and deliver to the Emmes Group the parties' irrevocable disbursal instructions in the form attached hereto as Exhibit A and incorporated herein by reference.

3. Waiver of 2007 Bonus. Robinett waives any pro rata 2007 bonus, otherwise granted at the discretion of MDI's Board of Directors.

4. Stock Options. Robinett shall retain her previously granted incentive stock options to purchase two million (2,000,000) shares of MDI common stock (the "Retained Options") (subject to stock splits, stock dividends, and similar pro rata adjustments). The Retained Options shall continue to have the same terms and conditions as currently in existence, including an option price of $0.01 per share, and the 5:00PM Pacific Time, December 31, 2012 expiration date. All other incentive stock options awarded Robinett during her tenure with MDI shall be cancelled.

5. Ongoing Duties. Robinett shall continue to act as Chief Executive Officer of MDI at an annual salary of $250,000 per year for a period commencing April 1, 2007, and terminating upon the completion of MDI's financial audit and the completion, signing, and filing of the officer certifications to be attached as exhibits to the Form 10-KSB for 2006 and the Forms 10-QSB for 2007. During such period, and provided MDI receives interim enabling financing, Robinett's primary responsibilities shall include using her commercially reasonable best efforts to:

(a) Cause MDI to file all delinquent periodic reports required to be filed by it pursuant to sections 13 or 15(d) under the Securities Exchange Act of 1934;

(b) Manage MDI's 2006 audit, which duties include completing, signing, and filing the officer certifications to be attached as exhibits to the Form 10-KSB for 2006 and the Forms 10-QSB for 2007;

(c) Complete the sale of the Formestane asset to Eucodis Pharmaceuticals Forschungs - und Entwicklungs GmbH;

(d) Manage, provide support, or personally conduct negotiations with all MDI creditors not transferred to Eucodis, with the objective of achieving a level of reduction in the remaining debt of MDI satisfactory to MDI's Chairman of the board of directors;

(e) Seek and obtain written approval from the Chairman of the MDI Board prior to the release and payment of any MDI funds; and,

(f) Coordinate the delivery of all MDI company records to a location directed by the Chairman of the MDI Board.

6. Sale of MDI-P Asset. MDI shall pay Robinett 15% of all consideration passing to MDI for the sale or transfer of MDI's MDI-P asset in cash or in kind, payable if, as and when received.

7. Robinett's Resignation. Upon the completion of MDI's financial audit, and the completion, signing, and filing of the officer certifications to be attached as exhibits to the Form 10-KSB for 2006 and the last of the Forms 10-QSB for 2007, Robinett shall automatically be deemed to have resigned as an officer, director, and employee of MDI.

8. Release of Claims and Waiver by Robinett. Upon Robinett's resignation as an officer, director and employee of MDI and expressly subject thereto, Robinett, for herself and for her present and former employees, agents, attorneys, heirs, administrators, personal representatives, successors, and assigns, shall be deemed to have irrevocably released, remised, acquitted, and forever discharged and agreed to indemnify MDI, including all of its future, present, and former employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, managers, partners, predecessors, successors and assigns, subsidiary and parent entities, from any and all actions and causes of action, judgments, execution, suits, debts, claims, demands, liabilities, obligations, damages, and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, or whatsoever kind or nature, arising prior to the date hereof, for or because of any matter or things done, omitted, or suffered to be done by any of the other parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected therewith, save and except only any obligation or covenant arising under this Agreement. Robinett acknowledges that the agreements in this paragraph are intended to be in full satisfaction of any and all related injuries or damages arising prior to the date hereof in connection with her relationship with MDI.

9. Release of Claims by MDI. Except in the event of the discovery of fraud or other such willful misconduct on the part of Robinett, upon Robinett's resignation as an officer, director and employee of MDI of MDI and expressly subject thereto, MDI, for itself and its present and former officers, shareholders, directors, managers, members, employees, agents, attorneys, heirs, administrators, personal representatives, successors, and assigns, shall be deemed to have irrevocably released, remised, acquitted, and forever discharged, and agreed to indemnify and hold harmless Robinett, together with all of her future, present, and former agents, representatives, consultants, attorneys, fiduciaries, servants, partners, predecessors, successors, and assigns, from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages, and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, of whatsoever kind or nature arising prior to and as of the date hereof, for or because of any matter or thing done, omitted, or suffered to be done by any of the other parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected with claims by or against Robinett, save and except only any obligation or covenant arising under this Agreement. MDI acknowledges that the agreements in this paragraph are intended to be in full satisfaction of any and all related injuries or damages arising prior to the date hereof in connection its relationship with Robinett.

10. Robinett Covenant Not To Sue. Upon Robinett's resignation as an officer, director and employee of MDI and expressly subject thereto, Robinett hereby covenants and agrees that she will not at any time, directly or indirectly, initiate, maintain, or prosecute, or in any way knowingly aid in the initiation, maintenance, or prosecution, of any claim, demand, or cause of action, at law, in equity, or otherwise, against MDI, including all of its future, present, and former employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, managers, partners, predecessors, successors and assigns, subsidiary corporations and companies, and parent corporations and companies for any claim, damage, loss, or injury of any kind arising out of or in any way connected with any transaction, agreement, occurrence, act, failure to act, statement, or omission with respect to which a release has been given herein. In furtherance of this covenant, Robinett agrees that, except as may be required by an order of any court or governmental agency having jurisdiction, she will not make available to any third party any evidence, documents, or other information or materials in her possession or under her care, custody, or control, or in the possession, custody, or under the control of her counsel, which in any way relates to any transaction, agreement, occurrence, act, failure to act, statement, or omission that is referred to or included within the scope of such release, save and except any legal proceeding to enforce or seek a remedy or relief based on or arising out of this Agreement. In any event, Robinett shall notify MDI within two days after receipt of any request from any third party for any such any evidence, documents, or other information or materials so that MDI may protect its interests hereunder.

11. MDI Covenant Not To Sue. Except in the event of the discovery of fraud or other such willful misconduct on the part of Robinett, upon Robinett's resignation as an officer, director and employee of MDI and expressly subject thereto, MDI covenants and agrees that it will not at any time, directly or indirectly, initiate, maintain, or prosecute, or in any way knowingly aid in the initiation, maintenance, or prosecution, of any claim, demand, or cause of action, at law, in equity, or otherwise, against Robinett, including her future, present, and former agents, representatives, consultants, attorneys, fiduciaries, servants, partners, predecessors, successors, and assigns for any claim, damage, loss, or injury of any kind arising out of or in any way connected with any transaction, agreement, occurrence, act, failure to act, statement, or omission with respect to which a release has been given herein. In furtherance of this covenant, MDI agrees that, except as may be required by an order of any court or governmental agency having jurisdiction, it will not make available to any third party any evidence, documents, or other information or materials in its possession or under its care, custody, or control, or in the possession, custody, or under the control of its counsel, which in any way relates to any transaction, agreement, occurrence, act, failure to act, statement, or omission, which is referred to or included within the scope of such release. In any event, MDI shall notify Robinett within two days after receipt of any request from any third party for any such any evidence, documents, or other information or materials so that Robinett may protect her interests hereunder.

12. Unknown Claims. The parties acknowledge that they may have some claim, demand, or cause of action of which they are totally unaware and unsuspecting. Except in the event of the discovery of fraud or other such willful misconduct on the part of Robinett, it is the intention of the parties in executing the agreement that it will deprive them of any such claim and prevent them from asserting the same against any other party. To the end, the parties expressly waive any and all rights and benefits conferred upon them by any statute or at common law in any jurisdiction applicable hereto which would otherwise modify, limit, nullify, or prohibit the release granted hereby. The parties covenant and agree to execute any further releases as may be required under any applicable statute or common law requirement in order to give full force and effect to the agreement.

13. Qualification. The releases set forth above includes, without limitation, all claims, demands, causes of action, facts, transactions, occurrences, circumstances, acts or omissions, or allegations of any kind and character whatsoever asserted by Robinett or which could have been asserted by Robinett in connection with his employment or other relationships with MDI, including any and all facts in any manner arising out of, related or pertaining to or connected with those claims or with the terms of or value of any consideration paid to Robinett in connection with Robinett's employment or other relationships with, or termination of employment from, MDI, or any of its related entities, including, without limitation, any claims based on, related to or arising from United States federal, state or local laws (including, but not limited to, the Age Discrimination in Employment Act, and the Fair Labor Standards Act) that prohibit employment discrimination on the basis of race, national origin, religion, age, gender, marital status, pregnancy, handicap, perceived handicap, ancestry, sexual orientation, family or personal leave or of any other form of discrimination, or from laws such as workers' compensation laws, which provide rights and remedies for injuries sustained in the workplace, including, without limitation, fraud, deceit, breach of privacy, misrepresentation, defamation, wrongful termination, tortious infliction of emotional distress, breach of fiduciary duty, violation of public policy and any other common law claim of any kind whatsoever, any claims for severance pay, sick leave, family leave, vacation, life insurance, bonuses, health insurance, disability or medical insurance or any other fringe benefit or compensation, or any claims relating to or arising out of any purported right to stock or stock options in MDI, and all rights or claims arising under the Employment Retirement Income Security Act of 1974 ("ERISA") or pertaining to ERISA regulated benefits.

14. Confidentiality:

(a) Except with MDI's prior written approval, Robinett will not disclose, and will not permit any attorney, agent, or other representative acting on her behalf to disclose, to any person other than MDI or its duly constituted representatives, the existence or terms of this Agreement; *provided that* she may make such disclosure if required by law, valid order of court, or other legal process. In the event that Robinett is requested in any proceeding to disclose the existence or terms of this Agreement, Robinett will make best efforts to notify MDI within two days after receipt of such request so that MDI may seek an appropriate protective order. The restrictions set forth in this paragraph shall not apply to any information that Robinett demonstrates (a) is on the date hereof or hereafter becomes generally available to the public other than as a result of a disclosure, directly or indirectly, by Robinett or her representatives, or (b) was available to Robinett on a non-confidential basis prior to its disclosure to her by MDI or their representatives or becomes available to Robinett on a non-confidential basis, in each case from a source other than MDI or its representatives, which source was not itself bound by a confidentiality agreement with MDI or its representatives and had not received such information, directly or indirectly, from a person so bound. Notwithstanding this or any other provision of this Agreement, Robinett may disclose information regarding this Agreement, as reasonably necessary, to her tax consultant, financial advisor, attorney, and the duly designated taxing authorities of the United States of America and/or any state or local entity.

(b) Except with Robinett's prior written approval, MDI will not disclose, and will not permit any attorney, agent, or other representative acting on its behalf to disclose, to any person other than Robinett or her duly constituted representatives, the existence or terms of this Agreement; *provided* that it may make such disclosure if required by law, valid order of court, or other legal process. In the event that MDI is requested in any proceeding to disclose the existence or terms of this Agreement, MDI will make best efforts to notify Robinett within two days after receipt of such request so that Robinett may seek an appropriate protective order. The restrictions set forth in this paragraph shall not apply to any information that MDI demonstrates (a) is on the date hereof or hereafter becomes generally available to the public other than as a result of a disclosure, directly or indirectly, by Robinett or their representatives, or (b) was available to MDI on a non-confidential basis prior to its disclosure to it by Robinett or MAG or their representatives or becomes available to MDI on a non-confidential basis, in each case from a source other than Robinett or her representatives, which source was not itself bound by a confidentiality agreement with Robinett or her representatives and had not received such information, directly or indirectly, from a person so bound. Notwithstanding this or any other provision of this Agreement, MDI may disclose information regarding this Agreement, as reasonably necessary, to its tax consultant, auditor, attorney, and the duly designated taxing authorities of the United States of America and/or any state or local entity.

15. Independent Investigation. The parties hereby declare, acknowledge, and agree that the terms of this Agreement have been read by them, have been read by and discussed with their respective legal counsel, and such terms are fully understood and voluntarily accepted for the purpose of making a full, final, and complete compromise, settlement, and adjustment of all transactions, agreements, arrangements, or courses of dealing. The parties further acknowledge, declare, and agree that the facts and assumptions underlying this Agreement have been thoroughly investigated and reviewed by them and their respective counsel and that they are not relying upon any representations by any other party hereto, but have entered into this Agreement based on their own independent investigation.

16. No Admission of Liability. Neither this Agreement nor the negotiation, execution, or performance hereof shall be deemed to constitute an admission, directly or indirectly, by any party of any liability or responsibility on account of or with respect to any claims released herein, but this Agreement is entered into for the sole and exclusive purposes of resolving the disputes between the parties and buying peace, and each party expressly denies any and all liability arising out of any of the claims, allegations, or demands whatsoever of any party against the other.

17. Survival. The representations, warranties, covenants, and agreements of the respective parties set forth herein shall survive the date of the consummation of the transaction contemplated in this Agreement.

18. Governing Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Utah, excluding the laws respecting choice or conflicts of law.

19. Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof, and no other courses of dealing, understandings, agreements, representations, or warranties, written or oral, except as set forth herein, shall be of any force or effect. No amendment or modification hereof shall be effective until and unless the same shall have been set forth in writing and signed by the parties hereto.

20. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. If any covenants or provisions of this Agreement are determined to be unenforceable by reason of their extent, duration, scope, or otherwise, then the parties contemplate that the court making such determination shall reduce such extent, duration, scope, or other provision and enforce them in their reduced form for all purposes contemplated by this Agreement.

21. Notices. Any notice, demand, request, or other communication under this Agreement shall be in writing and shall be deemed to have been given on the date of service if personally served or by facsimile transmission (if receipt is confirmed by the facsimile operator of the recipient), or delivered by overnight courier service, or on the third day after mailing if mailed by certified mail, return receipt requested, addressed as follows:

If to Robinett, as follows:	Judy Robinett 1338 South Foothill Drive, #266 Salt Lake City, UT 84108
If to MDI, as follows:	Medical Discoveries, Inc. c/o Sunhaven Farms 30103 West Gwinn Road Prosser, WA 99350

or such other addresses and facsimile numbers as shall be furnished in writing by any party in the manner for giving notices hereunder, and any such notice, demand, request, or other communication shall be deemed to have been given as of the date so delivered or sent by facsimile transmission (if receipt is confirmed by the facsimile operator of the recipient), three days after the date so mailed, or one day after the date so sent by overnight delivery.

22. Relief. Any party's breach or threatened breach of any covenant contained in this Agreement will cause such damage to the other party as will be irreparable, and for that reason, each party agrees that the other shall be entitled as a matter of right to an injunction from any court of competent jurisdiction restraining any further violation of such covenants by such other party. The right to injunctive relief shall be cumulative and in addition to all other remedies, including, specifically, recovery of damages.

23. Attorneys' Fees. In the event that any party institutes any action or suit to enforce this Agreement or to secure relief from any default hereunder or breach hereof, the non-prevailing party shall reimburse the prevailing party for all costs, including reasonable attorneys' fees, incurred in connection therewith and in enforcing or collecting any judgment rendered therein, including such costs which are incurred in any bankruptcy or appellate proceeding.

24. Jurisdiction and Venue. Any judicial proceeding brought against any of the parties hereto, with respect to the Agreement, shall be brought in any court of competent jurisdiction in Salt Lake County, Utah, irrespective of where such party may be located at the time of such proceeding, and by execution and delivery of the Agreement, each of the parties hereto hereby consents to the jurisdiction and venue of such court and waives any defense or opposition to such jurisdiction and venue.

25. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

26. Additional Documents. Each party shall, at any time and from time to time, execute and deliver to the other party all other and further instruments necessary or convenient to effectuate the purpose and intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, individually or by their respective officers, hereunto duly authorized.

Date this 31st day of August, 2007

JUDY ROBINETT

Dated this 31st day of August, 2007

MEDICAL DISCOVERIES, INC.

By: _____

David R. Walker, Chairman