

NEW ORLEANS - Dec. 8, 2009

HemaQuest Pharmaceuticals Presents Promising Results in Sickle Cell Disease and Beta Thalassemia

NEW ORLEANS - Dec. 8, 2009 - HemaQuest Pharmaceuticals presented data from new preclinical studies and early results from clinical trials of its lead drug candidate, HQK-1001, in sickle cell disease and beta thalassemia at the annual meeting of the American Society of Hematology in New Orleans. The preclinical studies demonstrated that HQK-1001 could augment the activity of a range of therapeutic agents that have been used in the past to treat hemoglobin disorders. In addition, the first clinical trials have begun testing HQK-1001 in patients with sickle cell disease or beta thalassemia. In these two HemaQuest-sponsored clinical trials, patients are being treated with increasing doses to determine its safety and pharmacodynamic effects. The studies are ongoing, and have demonstrated that the drug has a strong safety profile with early evidence of fetal globin induction, the key pharmacodynamic marker of therapeutic activity for this agent.

HemaQuest Chief Scientific Officer and Vice President, Clinical Affairs, Susan Perrine, MD, said, "We are pleased with the early clinical findings in patients with sickle cell disease and beta thalassemia. The fetal globin induction observed in both of the clinical trials is important, given its key role in ameliorating these diseases. Furthermore, the new evidence of additive or synergistic effects of HQK-1001 with other potential therapeutics suggests the potential for HQK-1001 to become an important drug in the treatment of these serious anemias."

HemaQuest President and CEO Ronald Berenson, MD, said, "These clinical studies provide early evidence of the safety and potential therapeutic activity of HQK-1001 in patients with sickle cell disease and beta thalassemia. We look forward to the successful completion of these trials and future clinical studies to document the therapeutic effects of HQK-1001 in patients with these serious and life-threatening diseases."

ABOUT HQK-1001

HQK-1001 belongs to a class of compounds originally discovered at Boston University School of Medicine and licensed to the Company. These compounds, designated as Short Chain Fatty Acid Derivatives (SCFADs), have been shown to stimulate fetal globin expression and red blood cell production in the laboratory and in small clinical trials in patients with hemoglobin disorders, including sickle cell disease and beta thalassemia. HQK-1001 is an orally administered SCFAD, which has shown an excellent safety profile and biologic effects on fetal globin induction and red blood cell production in the laboratory, relevant animal models, and in healthy human

subjects in Phase 1 clinical trials. Additionally, the compound has received Orphan Drug Designation in the United States and Europe for both sickle cell disease and beta thalassemia.

ABOUT SICKLE CELL DISEASE AND BETA THALASSEMIA

Sickle cell disease is a genetic disorder affecting the beta globin chain of adult hemoglobin, which results in distorted, rigid sickle red blood cells, which block blood vessels, causing lack of oxygen to tissues, acute episodes of pain (pain crises), lung injury (acute chest syndrome), and strokes. Infections are common, and chronic damage occurs in many organs, including the spleen, bones, kidneys, lungs, brain, and eyes. The sole drug which is approved to treat the disease is a cancer chemotherapy drug, hydroxyurea. The lifespan of sickle cell patients is markedly reduced in the U.S, where there are approximately 75-80,000 patients.

Beta thalassemias are among the most common genetic blood disorders worldwide, in which patients are unable to produce normal amounts of the beta globin chain of adult hemoglobin, with consequent rapid destruction of red blood cells and their progenitors, and moderate to severe, transfusion-dependent anemia. The standard therapies are transplantation and red blood cell transfusions, which cause iron overload and vital organ damage, and must be treated with iron chelator drugs. The average reported survival of affected patients is less than 30 years in the U.S. today.

ABOUT HEMAQUEST PHARMACEUTICALS

HemaQuest Pharmaceuticals (www.HemaQuest.com), established in Massachusetts in late 2007, is a Seattle-based biopharmaceutical company focused on developing small molecule therapeutics based on its proprietary SCFAD technologies to treat hemoglobin diseases. HemaQuest is also developing a second therapy for viral-related hematologic malignancies. The company's investors include De Novo Ventures, Forward Ventures, and Lilly Ventures.

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